




# SMETA Corrective Action Plan Report (CAPR)

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1009145	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1079426
Business name (Company name):	MASTER ITALIA SPA		
Site name:	MASTER ITALIA SPA		
San Donà	Via G. La Pira, 19 30027 San Donà di Piave (VE)	Country:	Italy
Site contact and job title:	Elisa Pavan, Audit & Special Projects Manager		
Site phone:	0039-0421-571141	Site e-mail:	Elisa.pavan@masteritalia.it
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	29.01.2021		

<b>Audit Company Name &amp; Logo:</b>  	<b>Report Owner (payer):</b> <i>(If paid for by the customer of the site please remove for Sedex upload)</i>
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

*Elisa Pavan*

## Audit Content:

- (1)** A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 (March 2019) was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.
- (2)** The audit scope was against the following reference documents

  - 2-Pillar SMETA Audit
    - ETI Base Code
    - SMETA Additions
      - Universal rights covering UNGP
      - Management systems and code implementation,
      - Responsible Recruitment
      - Entitlement to Work & Immigration,
      - Sub-Contracting and Home working,
  - 4-Pillar SMETA
    - 2-Pillar requirements plus
    - Additional Pillar assessment of Environment
    - Additional Pillar assessment of Business Ethics
    - The Customer's Supplier Code (Appendix 1)
- (3)** Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (4)** Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

## SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

Any exceptions to this must be recorded here (e.g. different sample size): 9 people instead of 10 were interviewed due to Company's business needs.

Auditor Team (s) (please list all including all interviewers):

Lead auditor: Giorgio Miserendino

Team auditor:

Interviewers: Giorgio Miserendino

Report writer: Giorgio Miserendino

Report reviewer:

Date of declaration: 29.01.2021

*Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.*

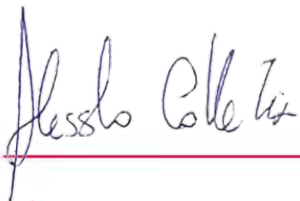
*This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.*

## Audit Parameters

Audit Parameters			
A: Time in and time out	Day 1 Time in: 9.30 Day 1 Time out: 18.00	Day 2 Time in: Day 2 Time out:	Day 3 Time in: Day 3 Time out:
B: Number of auditor days used:	1 auditor x 1 day		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail:    weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Alessandro Colle Tiz, president		
H: Is further information available (if yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	22.09.2014		
J: Previous audit type:	Initial		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	NA		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	No union representatives in this company.		





## Guidance

The Corrective Action Plan Report summarises the site audit findings and a corrective, and preventative action plan that both the auditor and the site manager believe is reasonable to ensure conformity with the ETI Base Code, Local Laws and additional audited requirements. After the initial audit, the form is used to re-record actions taken and to categorise the status of the non-compliances.

N.B. observations and good practice examples should be pointed out at the closing meeting as well as discussing non-compliances and corrective actions.

To ensure that good practice examples are highlighted to the supplier and to give a more 'balanced' audit a section to record these has been provided on the CAPR document (see following pages) which will remain with the supplier. They will be further confirmed on receipt of the audit report.

Root cause (see column 4)

Root cause refers to the specific procedure or lack of procedure which caused the issue to arise. Before a corrective action can sustainably rectify the situation, it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.

**See SMETA BPG Chapter 7 'Audit Execution' for more explanation of "root cause".**

Next Steps:

1. The site shall request, via Sedex, that the audit body upload the audit report, non-compliances, observations and good examples. If you have not already received instructions on how to do this then please visit the web site [www.sedexglobal.com](http://www.sedexglobal.com).
2. Sites shall action its non-compliances and document its progress via Sedex.
3. Once the site has effectively progressed through its actions then it shall request via Sedex that the audit body verify its actions. Please visit [www.sedexglobal.com](http://www.sedexglobal.com) web site for information on how to do this.
4. The audit body shall verify corrective actions taken by the site by either a "Desk-Top" review process via Sedex or by Follow-up Audit (see point 5).
5. Some non-compliances that cannot be closed off by "Desk-Top" review may need to be closed off via a "1 Day Follow Up Audit" charged at normal fee rates. If this is the case, then the site will be notified after its submission of documentary evidence relating to that non-compliance. Any follow-up audit must take place within twelve months of the initial audit and the information from the initial audit must be available for sign off of corrective action.
6. For changes to wages and hours to be correctly verified it will normally require a follow up site visit. Auditors will generally require to see a minimum of two months wages and hours records, showing new rates in order to confirm changes (note some clients may ask for a longer period, if in doubt please check with the client).

## Corrective Action Plan

### Corrective Action Plan – non-compliances NIL

Non-Compliance Number <i>The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new non-compliance identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Non-Compliance <i>Details of Non-Compliance</i>	Root cause <i>(completed by the site)</i>	Preventative and Corrective Actions <i>Details of actions to be taken to clear non-compliance, and the system change to prevent re-occurrence (agreed between site and auditor)</i>	Timescale <i>(Immediate, 30, 60, 90,180,365)</i>	Verification Method <i>Desktop / Follow-Up [D/F]</i>	Agreed by Management and Name of Responsible Person: <i>Note if management agree to the non-compliance, and document name of responsible person</i>	Verification Evidence and Comments <i>Details on corrective action evidence</i>	Status <i>Open/Closed or comment</i>
			<input type="checkbox"/> Training <input type="checkbox"/> Systems <input type="checkbox"/> Costs <input type="checkbox"/> lack of workers <input type="checkbox"/> Other – please give details:						

### Corrective Action Plan – Observations NIL

Observation Number <i>The reference number of the observation from the Audit Report, for example, Discrimination No.7</i>	New or Carried Over <i>Is this a new observation identified at the follow-up or one carried over (C) that is still outstanding</i>	Details of Observation <i>Details of Observation</i>	Root cause <i>(completed by the site)</i>	Any improvement actions discussed <i>(Not uploaded on to SEDEX)</i>

*Jessie Cole*


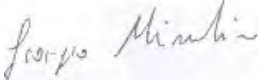


Good examples

Good example Number <i>The reference number of the good example from the Audit Report, for example, Discrimination No.7</i>	Details of good example noted	Any relevant Evidence and Comments
0B	The company has started a sustainable development project and issued its first sustainability report (2020)	Interviews with Management, Sustainability Report 2020 (refer also to Company's website)
5	The company anticipates CIG to employees when CIG is made due to Covid-19 emergency.	



## Confirmation

<p>Please sign this document confirming that the above findings have been discussed with and understood by you: (site management)  <i>If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.</i></p>		
A: Site Representative Signature:	Alessandro Colletti 	Title President  Date 29.01.2021
B: Auditor Signature:	Giorgio Miserendino 	Title Lead auditor  Date 29.01.2021
C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.		
D: I dispute the following numbered non-compliances:		
E: Signed: (If <u>any</u> entry in box D, please complete a signature on this line)		Title  Date
F: Any other site Comments:		

## Guidance on Root Cause

### Explanation of the Root Cause Column

If a non-compliance is to be rectified by a corrective action which will also prevent the non-compliance re-occurring, it is necessary to consider whether a system change is required.

Understanding the root cause of the non-compliance is essential if a site is to prevent the issue re-occurring.

The root cause refers to the specific activity/ procedure or lack of activity /procedure which caused the non-compliance to arise. Before a corrective action can rectify the situation, it is important to find out the real cause of the non-compliance and whether a system change is necessary to ensure the issue will not arise again in the future.

Since this is a new addition, it is not a mandatory requirement to complete this column at this time. We hope to encourage auditors and sites to think about Root Causes and where they are able to agree, this column may be used to describe their discussion.

### **Some examples of finding a "root cause"**

#### Example 1

Where excessive hours have been noted the real reason for these needs to be understood, whether due to production planning, bottle necks in the operation, insufficient training of operators, delays in receiving trims, etc.

#### Example 2

A non-compliance may be found where workers are not using PPE that has been provided to them. This could be the result of insufficient training for workers to understand the need for its use: a lack of follow-up by supervisors aligned to a proper set of factory rules or the fact that workers feel their productivity (and thus potential earnings) is affected by use of items such as metal gloves.

#### Example 3

A site uses fines to control unacceptable behaviour of workers.

International standards (and often local laws) may require that workers should not be fined for disciplinary reasons.

It may be difficult to stop fines immediately as the site rules may have been in place for some time, but to prevent the non-compliance re-occurring it will be necessary to make a system change.

The symptom is fines, but the root cause is a management system which may break the law. To prevent the problem re-occurring it will be necessary to make a system change for example the site could consider a system which rewards for good behaviour

Only by understanding the underlying cause can effective corrective actions be taken to ensure continuous compliance.

The site is encouraged to complete this section so as to indicate their understanding of the issues raised and the actions to be taken.



For more information visit: [Sedexglobal.com](https://www.sedexglobal.com)

Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

You can leave feedback by following the appropriate link to our questionnaire:

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5lw_3d_3d)

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5lw\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3Inq5lw_3d_3d)

[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY\\_2brg\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

[Click here for Auditors:](https://www.surveymonkey.co.uk/r/BRTVCKP)

<https://www.surveymonkey.co.uk/r/BRTVCKP>




# Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1009145	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1079426
Business name (Company name):	MASTER ITALIA SPA		
Site name:	MASTER ITALIA SPA		
Site address: <i>(Please include full address)</i>	Via G. La Pira, 19 30027 San Donà di Piave (VE)	Country:	Italy
Site contact and job title:	Elisa Pavan, Audit & Special Projects Manager		
Site phone:	0039-0421-571141	Site e-mail:	Elisa.pavan@masteritalia.it
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input type="checkbox"/> Environment 4-pillar <input type="checkbox"/> Business Ethics
Date of Audit:	29.01.2021		

<b>Audit Company Name &amp; Logo:</b>  	<b>Report Owner (payer):</b> <i>(If paid for by the customer of the site please remove for Sedex upload)</i>
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

## Audit Content:

- (1)** A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.
- (2)** The audit scope was against the following reference documents

  - 2-Pillar SMETA Audit
    - ETI Base Code
    - SMETA Additions
      - Universal rights covering UNGP
      - Management systems and code implementation,
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      - Entitlement to Work & Immigration,
      - Sub-Contracting and Home working,
  - 4-Pillar SMETA
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    - Additional Pillar assessment of Environment
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## SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

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Any exceptions to this must be recorded here (e.g. different sample size):  
9 people instead of 10 were interviewed due to Company's business needs.

Auditor Team (s) (please list all including all interviewers):

Lead auditor: Giorgio Miserendino APSCA number: 21703468  
Lead auditor APSCA status: in good standing.  
Team auditor: APSCA number:  
Interviewers: Giorgio Miserendino APSCA number: 21703468.

Report writer: Giorgio Miserendino  
Report reviewer: Gaspare Chiarelli

Date of declaration: 29.012021

*Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.*

*This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.*

## Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A <a href="#">Universal Rights covering UNGP</a>			<input type="checkbox"/>	<input type="checkbox"/>				
0B <a href="#">Management systems and code implementation</a>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			1	The company has started a sustainable development project and issued its first sustainability report (2020)
1. <a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
2. <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
3. <a href="#">Safety and Hygienic Conditions</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
4. <a href="#">Child Labour</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
5. <a href="#">Living Wages and Benefits</a>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>			1	The company anticipates CIG to employees when CIG is made due to Covid-19 emergency.
6. <a href="#">Working Hours</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
7. <a href="#">Discrimination</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
8. <a href="#">Regular Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8A <a href="#">Sub-Contracting and Homeworking</a>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

9	Harsh or Inhumane Treatment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
10A	Entitlement to Work		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
10B2	Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
10B4	Environment 4-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
10C	Business Ethics		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

General observations and summary of the site:

Site Summary:

- This is a trade company, products under trading are caps. No production processes are performed in the company, since it only manages commercial, R&D, procurement and administrative processes, together with logistic process (a warehouse is included at company's premises). Caps are produced by external suppliers mainly based in the Far East.
- Overall responsibility for meeting the standards is taken by Mr. Alessandro Colle Tiz, the president.
- Youngest worker has over 18 years old
- 10 individual contracts were verified. Copy provided for each employee. The employment procedure established according to national labor laws is followed.
- No union representatives are in the factory, no worker joined to unions. There is also a workers' representative freely elected when the company had SA8000 certification, and maintained even after SA8000 certification dismissal. She was selected for interview.
- There is one H&S workers representative freely elected. Interviews confirm the free election of him. He was selected for interview.
- There is appointed a responsible for health and safety and emergency situations. Regular training provided on H&S and emergency situations subjects, acc. legal requirements.
- The working areas were found to be well maintained, clean and in a good state. Accidents register available, but no work accidents were recorded. Firefighting equipment available and inspected regularly.
- no peak season in this company.
- Working hours are automatically recorder by means of a timekeeping device
- OT are requested mainly during the peak periods. Interviewed workers confirmed they are free to refuse OT and that OT are only requested sometimes in order to manage customers unforeseen requests.
- Pay slips are issued and wages paid by bank transfer; no illegal deductions were found from selected sample – 10 wages, selected from May, October and December 2020.
- the wages are paid once/month on 10<sup>th</sup> of the next month.
- No deposits required; copies of ID cards maintained; free movement ensured for workers during working time.
- No forced labour noticed during the audit. Workers moved without restriction when they need. No forced labour situation was reported at interviews.

- No discrimination was identified during the site visit or reported at interviews. The workers from sewing and ironing are paid based on piece rate and the others are paid based on worked hours. The wage is established based on workers job and skills.

- Workers can complain through their representative, in addition a complaint box is available for confidential reporting. Workers declared that they can solve their problems by addressing directly to management.

The company has no certifications, it had SA8000 but it was decided to abandon it approx. one and a half year ago. After this the company started a sustainability development project, issuing its first sustainability report and its own code of conduct.

*\*Please note the table above records the total number of Non-compliances (NC), Observations (Obs) and Good Examples (GE). This gives the reviewer an indication of problem areas but does not detail severities of each issue – Reviewers need to check audit results by clause.*

## Site Details

Site Details																	
A: Company Name:	MASTER ITALIA SPA																
B: Site name:	MASTER ITALIA SPA																
C: GPS location: (If available)	GPS Address:	Latitude: Longitude:															
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	CF 02591350273, REA VE-226037																
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Trade of fashion and sports caps.																
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>This is a family company founded 25 years ago approx. It started as a pure trading company of standard caps, but after some years it arranged a graphic design department and began to produce caps by means of external companies mainly in China, and nowadays it is a reference company in the sector.</p> <table border="1"> <thead> <tr> <th>Production Building no 1</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Floor 1</td> <td>Offices</td> <td></td> </tr> <tr> <th>Production Building no 2</th> <th>Description</th> <th>Remark, if any</th> </tr> <tr> <td>Ground floor</td> <td>Warehouse</td> <td></td> </tr> <tr> <td>Is this a shared building?</td> <td>Yes.</td> <td></td> </tr> </tbody> </table> <p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed?  <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>F2: Please give details:</p> <p>F3: Does the site have a structural engineer evaluation?  <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>F4: Please give details:            Building permit no. 291/95 issued by Comune San Donà di Piave on 12.02.1996.</p>		Production Building no 1	Description	Remark, if any	Floor 1	Offices		Production Building no 2	Description	Remark, if any	Ground floor	Warehouse		Is this a shared building?	Yes.	
Production Building no 1	Description	Remark, if any															
Floor 1	Offices																
Production Building no 2	Description	Remark, if any															
Ground floor	Warehouse																
Is this a shared building?	Yes.																
G: Site function:	<input type="checkbox"/> Agent																

	<input type="checkbox"/> Factory Processing/Manufacturer <input checked="" type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	No.
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<i>Designing, trend research, material sourcing, samples control, import, logistics &amp; warehouse service, Atlantis QC</i>
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input checked="" type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (specify) H&S workers' repr. <input type="checkbox"/> None
K: Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 9.30 A2: Day 1 Time out: 18.00	A3: Day 2 Time in: A4: Day 2 Time out:	A5: Day 3 Time in: A6: Day 3 Time out:
B: Number of auditor days used:	1 auditor x 1 day		
C: Audit type:	<input type="checkbox"/> Full Initial <input checked="" type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other  If other, please define		
D: Was the audit announced?	<input checked="" type="checkbox"/> Announced <input type="checkbox"/> Semi – announced: Window detail:    weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: If No, why not?		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Alessandro Colle Tiz, President.		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	22.09.2014		
J: Previous audit type:	Initial		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  <input type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives



A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	NA		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	No union representatives in this company.		

## Worker Analysis

The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity.

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers – Male	13	1	0	0	0	0	0	14
Worker numbers – female	19	0	0	0	0	0	0	19
<b>Total</b>	<b>32</b>	<b>1</b>	0	0	0	0	0	<b>33</b>
Number of Workers interviewed – male	5	0	0	0	0	0	0	5
Number of Workers interviewed – female	4	0	0	0	0	0	0	4
Total – interviewed sample size	9	0	0	0	0	0	0	9



A: Nationality of Management	italian	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities:</p> <p>B1: Nationality 1: _____ italian</p> <p>B2: Nationality 2: _____</p> <p>B3: Nationality 3: _____</p>	<p>Was the list completed during peak season?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods: no peak period in this company.</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 100</p> <p>C1: approx % total workforce: Nationality 2 _____</p> <p>C2: approx % total workforce: Nationality 3 _____</p>	
D: Worker remuneration (management information)	<p>D: _____% workers on piece rate</p> <p>D1: _____% hourly paid workers</p> <p>D2: 100_% salaried workers</p> <p>Payment cycle:</p> <p>D3: _____% daily paid</p> <p>D4: _____% weekly paid</p> <p>D5: 100% monthly paid</p> <p>D6: _____% other</p> <p>D7: If other, please give details</p>	



Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)</i>	One group four people, one group three people.
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 1 D2: Female: 1
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	No complaints at all.
I: What did the workers like the most about working at this site?	Good work environment.
J: Any additional comment(s) regarding interviews:	No.
K: Attitude of workers to hours worked:	Very favourable.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details:	
M: Attitude of workers: <i>(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk</i>	

The factory management agreed that SGS auditor to conduct confidential interview with workers who are selected freely by the auditor, part from payroll and working time record and part selected directly from workshop, during the visit. The selection was made by auditor, without any influence from the factory management. Interviews are conducted in an independent room. For interviews were selected 9 workers, with a length of work in the factory between 1 and 10 years, including the H&S worker representative and the workers' committee representative. During the interviews workers shows a confident attitude, without fear and evidence were collected regarding child labour and workers representation, working conditions including health and safety and fire protection, working time and OT, discrimination and forced labour. The workers stated that they are generally satisfied with the management and with working conditions. The workers declared that the strong points of factory are the very friendly work environment and the good relationships with management.

The workers declared that:

- There is no child/young worker employment,
- There is no forced, bounded or involuntary prison labour, they are freely to use the toilets anytime they need, to leave the factory after the end of the shift.
- There is a H&S workers representative, well known by the workers, freely elected, who represents workers interests. In addition there is a workers' committee representative.
- They rarely performing OT, the wage is calculated based on worked hours.
- Pay slips are provided and the workers declared that the wage is correctly calculated.
- Payment performed in time. Annual leave is 28 days.
- They receive adequate training for Health and Safety and emergency situations.
- Medical check-up is received by each worker once a year, according planning. They receive treatment any time they need without obstruction.
- In the factory, there is no discrimination. They can solve their problems by addressing to workers representatives or directly to management and can find settlement of their problems.
- Communication with management is good and no harsh or inhuman treatment occurred.

N: Attitude of worker's committee/union reps:

*(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk*

The H&S workers and the workers' committee representatives were interviewed during the audit. Both them referred about a very good work environment, constructive relationship between union and the company. and a strong commitment of management in order to guarantee adequate sustainable management.

O: Attitude of managers:

*(Include attitude to audit, and audit process. Both positive and negative information should be included)*

The manager agreed to the examination of company records. He had an open attitude, so that audit was completed in the allocated time. All requested documents were presented without any reserve from management.  
- No inconsistencies found. Worker documentation was available for all sampled employees.

## Audit Results by Clause

### 0A: Universal Rights covering UNGP

[\(Click here to return to summary of findings\)](#)

#### 0.A. Guidance for Observations

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.

0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights

0.A.3 Businesses shall identify their stakeholders and salient issues.

0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.

0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.

0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

#### Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

#### Current systems:

The company has issued its own code of conduct covering these topics, and its first sustainability report covering 2018 and 2019, both them are available on company's website.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Company's code of conduct, 2021 edition.

Company's sustainability report 2018-19.

A: Policy statement that expresses commitment to respect human rights?

Yes

No

A1: Please give details:

Company's code of conduct 2021.

B: Does the business have a designated person responsible for implementing standards concerning Human Rights?

Yes

No

Please give details:

Name: Alessandro Colle Tiz

Job title: President.

<p>C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  C1: Please give details: open door policy, workers' representatives.</p>
<p>D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  D1: If no, please give details</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  E1: Please give details: according to national privacy laws.</p>

Findings NIL	
<p>Finding: Observation <input type="checkbox"/>                      Company NC <input type="checkbox"/></p> <p>Description of observation:</p>  <p>Local law or ETI/Additional elements / customer specific requirement:</p>  <p>Comments:</p>	<p>Objective evidence observed:</p>     

Good examples observed: NIL	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>



## Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	A1: Last year: 2020 3%	A2: This year 2021 0%
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 <sup>st</sup> day of 90 day period + number of employees on the last day of the 90 day period) / 2]	0	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 <sup>st</sup> day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: 0%	C2: This year 0%
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 <sup>st</sup> of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	0	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: <i>Accidents in the workplace over the last 3 years have all been minor, amounting to 1 (in itinere injury due to road accident) in 2018 and 2 accidents in 2019 (1 in itinere injury and 1 small surface wound): Injuries : 1W + 1 M Days of absence : 31 + 2</i>	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0	F2: This year: Number: 0
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	H1: Last year: 0	H2: This year: 0
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months 0% workers	I2: 12 months 0% workers

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J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months 0% workers	J2: 12 months 0% workers
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**0B: Management system and Code Implementation**

[\(Click here to return to summary of findings\)](#)

- 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.B.2 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with
- 0.B.3 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.B.4 Suppliers are expected to communicate this Code to all employees.
- 0.B.5 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

**Current Systems and Evidence Examined**

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

**Current systems:**

- Responsibility for meeting the legal and client code requirements is on behalf of Mr. Alessandro Colle Tiz, the president.
- The company has started a sustainability development project and issued its own code of conduct and its own first sustainability report.
  - There were no penalties raised in the last 12 months by the local authorities.
  - **The** company does not have any certification. It had SA8000 certification up to July 2020, when the management decided that monitoring of social commitment of the company by means of SMETA audits would have been more appropriate.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

- CBA Commercio e Terziario.
- ETI base code.
- Company's Code of Conduct.
- 10 working contracts and employees' files

**Management Systems:**

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details:
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: company's code of conduct 2021.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	By interviews with workers and management.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	D1: Please give details: for example, internal focus to Xinjiang case, October 2020.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: by interviews.
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No F1: Please give details: Company had SA8000 from 2014 to July 2020.
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: external consultancy agency.
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Mr. Alessandro Colle Tiz, president.
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: according to laws related to privacy.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: according to laws related to privacy.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No K1: Please give details:
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1 Please give details:
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: the company started a supply chain risk assessment, to be completed within 2021. In addition, suppliers are requested to give evidence of receipt of company's code of conduct and sustainability report.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details:

<p>O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  O1: Please give details: external consultants.</p>
<p>P: Does the site have a written policy and procedures specific to land rights.                  If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  P1: If yes, how does the company obtain FPIC:</p>
<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No                  Q1: Please give details:</p>
<p>R: Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No                  R1: Please give details:</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  S1: Please give details:</p>

Non-compliance: NIL	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p> <p>2. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed:                  (where relevant please add photo numbers)</p>

Observation: NIL	
Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:

Good Examples observed:	
Description of Good Example (GE): <b>The company has started a sustainable development project and issued its first sustainability report (2020).</b>	Objective evidence observed: Interviews with management. Company's sustainability report 2020.

**1: Freely Chosen Employment**

[\(Click here to return to summary of findings\)](#)

ETI

1.1 There is no forced, bonded or involuntary prison labour.

1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

**Current Systems and Evidence Examined**

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Employees are working voluntary. There is no forced, involuntary prison labour and no closed doors were found, during the site visit. The workers declared at interviews that they are free to leave the company after end of shift, they can use the toilet without restriction during the working hours. Employment realized direct by factory, without any agency.

From sampled employees' files and employees' interviews resulted that only copies of ID cards are kept by HR department of the site, workers are free to quit jobs according to legal requirements, no fees paid for recruitment, no fees for medical exam before commencing work (or on periodically medical controls) paid by employer and no charge for PPE's provided by the factory; no wage deposits required, no mandatory production quota. Interviews with workers confirmed. The workers are paid by number of worked hours and there is no production quota.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

CBA Commercio e Terziario.

ETI base code.

Company's Code of Conduct.

10 working contracts and employees' files

<p>A: Is there any evidence of retention of original documents, e.g. passports/ID's</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  A1: If yes, please give details and category of workers affected:</p>
<p>B: Is there any evidence of a loan scheme in operation</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  B1: If yes, please give details and category of worker affected:</p>
<p>C: Is there any evidence of retention of wages /deposits</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  C1: If yes, please give details and category of worker affected:</p>
<p>D: Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  D1: Please describe finding:</p>



<p>E: If any part of the business is UK based or registered there &amp; has a turnover over £36m, is there a published a 'modern day slavery statement'?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  <input type="checkbox"/> Not applicable  E1: Please describe finding:</p>
<p>F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  F1: Please describe finding:</p>
<p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  <input checked="" type="checkbox"/> Not applicable  G1: If yes, please give details and category of workers affected:</p>
<p>H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No  H1: Please describe finding:</p>

Non-compliance: NIL	
<p>1. Description of non-compliance:  <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law:    <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement</p> <p>Recommended corrective action:</p> <p>2. Description of non-compliance:  <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law:    <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed:  <i>(where relevant please add photo numbers)</i></p>

Observation: NIL
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Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:
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Good Examples observed: NIL	
Description of Good Example (GE):	Objective evidence observed:

**2: Freedom of Association and Right to Collective Bargaining are Respected**

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.  
 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.  
 2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.  
 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

**Current Systems and Evidence Examined**

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

Current systems:

Current systems:

In the factory there are no union representatives and no workers are enrolled. From interviews with workers and management resulted that there was not any obstruction by management on workers joining a trade union if they wished and organization has not interfered with the right of employees to freely elect their representatives. The workers declare at interviews that they have free access to their representatives or direct management to solve their problems. In addition, **they elected a workers' representative when the company had SA8000 certification, and this representative is still in charge.**

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

CBA Commercio e Terziario.

ETI base code.

Company's Code of Conduct.

10 working contracts and employees' files

<p>A: What form of worker representation/union is there on site?</p>	<p><input type="checkbox"/> Union (name)  <input checked="" type="checkbox"/> Worker Committee  <input checked="" type="checkbox"/> Other (specify) H&amp;S workers' representative.  <input type="checkbox"/> None</p>
<p>B: Is it a legal requirement to have a union?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>
<p>C: Is it a legal requirement to have a worker's committee?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>
<p>D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&amp;S, sexual harassment)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  D1: Please give details: open door policy.</p>

	D2: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: confirmed by interviews.	
F: Name of union and union representative, if applicable:	NA	F1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	WORKERS' REPRESENTATIVE.	G1: Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: 2014
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, please state how many: 2.	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Interviews.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If Yes, what percentage by trade Union/worker representation	M1: 100% workers covered by Union CBA	M2: ___% workers covered by worker rep CBA
M3: If Yes, does the Collective Bargaining Agreement (CBA) include rates of pay?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Non-compliance: NIL

<p>1. Description of non-compliance:  <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p> <p>2. Description of non-compliance:  <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed:  <i>(where relevant please add photo numbers)</i></p>
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<b>Observation: NIL</b>	
<p>Description of observation:</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

<b>Good Examples observed:</b>	
<p>Description of Good Example (GE): NIL</p>	<p>Objective evidence observed:</p>

### 3: Working Conditions are Safe and Hygienic

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#### ETI

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

#### Current Systems and Evidence Examined

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

Current systems:

##### 1. H&S General

Generally speaking H&S risks are very limited in this company due to the fact that only offices and logistic activities are performed.

The risk assessment for each job/function was conducted; including the risks assessment for sensitive groups. first aid boxes are in sufficient number and placed in all production areas and with necessary materials for first aid intervention, they are monthly checked for content and expired products; warning signs are posted; electrical control panels are labelled and wiring in good condition. Personnel are aware of wearing protective equipment (gloves, protection glasses, etc.) if needed. Access to potable water and toilets is permitted.

Accidents register is maintained – no accidents recently recorded.

There is an eating room arranged, the hygienic conditions are good, the disinfection and disinfestations are performed regularly. Toilets are in sufficient number. The working facility are provided with natural and artificial ventilation and heating system. No dormitory on-site.

Regular H&S training is provided to all employees acc. to training plan; records of H&S training were available and were checked.

PPE available free of charge.

##### 2. Fire Safety

During site visit was noticed that: there are enough emergency exits from workshop, all of them open outward, no locked exits and no aisles blocked, evacuation routes and exit doors are marked (emergency); emergency lighting checks are not always in compliance with legally prescribed frequency Evacuation plan are posted; fire extinguishers are in sufficient number, properly mounted, marked and checked; there is a sound alarm installed in the workshop. Workers have been trained about emergency procedure.

##### 3. Electrical Safety

Mandated verifications of electrical installation and heating system are carried out.

4. Chemical Safety: not applicable.

5. Medical Services Regular health checks performed for all employees and medical screening sheets were presented. Periodical medical examinations were in progress during the audit.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

General risk assessment document updated February 2017.

DL Alessandro Colle Tiz, RSPP Marco Ghezzi (appointment letter dtd 01.10.2019), H&S workers representative Riccardo Prodocimo (update training report 30.04.2020), labor doctor Mario Marino Tonel, appointment letter dtd 01.01.09.

Emergency and evacuation plan 21.09.2020.

H&S training reports according to ASR 21.12.11, i.e. A.M. 01.05.16, E.F. 30.06.17, G.T. 21.02.2020, C.B. forklift qualification update training 22.04.2020.

PPE delivery form, i.e. CB 06.03.19, shoes.

First aid training certificates, RP 14.12.18.

Fire prevention training certificates, AF 17.02.15, AM 01.06.16, CB 13.12.16.

Fire prevention certificate updated 22.10.19.

Sanitary survey report 2019.

No accidents recently recorded

Firefighting equipment regularly checked/maintained by external company Tergas, latest checks September 2020.

Grounding system periodical check updated January 2020.

Evacuation trial report dtd 05.06.19

Periodical H&S meeting report dtd 11.01.19.

<p>A: Does the facility have general and occupational Health &amp; Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  A1: Please give details: Company's code of conduct.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  B1: Please give details:</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No  C1: Please give details:</p>
<p>D: Are visitors to the site informed on H&amp;S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  D1: Please give details: specifically, for Covid-19 management.</p>
<p>E: Is a medical room or medical facility provided for workers?  If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  E1: Please give details: a labour doctor is appointed according to national H&amp;S laws.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No  F1: Please give details: labour doctor appointed, trained first aiders available.</p>

G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: NA
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details:
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Risk assessment performed including sensitive groups
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: see environment 2 pillars section.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details:

Non-compliance: NIL	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:  Local law and/or ETI requirement:  Recommended corrective action:  2. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:  Local law and/or ETI requirement:  Recommended corrective action:	Objective evidence observed: (where relevant please add photo numbers)

Observation: NIL	
Description of observation:  Local law or ETI requirement:  Recommended corrective action:	Objective evidence observed:



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Good Examples observed: NIL	
Description of Good Example (GE):	Objective Evidence Observed:

**4: Child Labour Shall Not Be Used**

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[\(Click here to return to Key Information\)](#)

ETI

- 4.1 There shall be no new recruitment of child labour.
- 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
- 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

**Current Systems and Evidence Examined**

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

Current systems:

The youngest worker was born in 2000 and hired in 2020. The following documents were checked regarding employees age:

- 1. ID documents (card)

Copies of above documents were found in every employees' files checked.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

CBA Commercio e Terziario.

ETI base code.

Company's Code of Conduct.

10 working contracts and employees' files

A: Legal age of employment:	16
B: Age of youngest worker found:	26
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0%
E: Are workers under 18 subject to hazardous work assignments? <a href="#">(Go to clause 3 – Health and Safety)</a>	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: If yes, give details

Non-compliance: NIL

<p>1. Description of non-compliance:  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p> <p>2. Description of non-compliance:  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed:  <i>(where relevant please add photo numbers)</i></p>
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Observation: NIL	
<p>Description of observation:</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed: NIL	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

**5: Living Wages are Paid**

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ETI

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

**Current Systems and Evidence Examined**

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

Current systems:

The minimum wage is 1276,15 €/month, gross wage, on level 7 (the lowest) of the CBA. The lowest level of the CBA in the factory is 3, gross wage € 1638,50 corresponding to net wage 1498, 00.

Employees' base salary is established depending their job and skills – equal base salary found to be paid for employees having same job. All workers' wages were calculated by hourly rate.

The wages are paid once/month on 10<sup>th</sup> of the next month.

Mandated leave (28 days) paid. For sampled workers payrolls, it was found that monthly wages are well calculated and legal deductions (un-employment, health insurance and social insurance (pension)) were made. All employees are on the payroll. Pay slips are issued and provided to employees, providing all information related to salary calculation and legal deductions. Workers are not charged for PPE. No fees for recruitment or employment. Interviews confirmed.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

CBA Commercio e Terziario.

ETI base code.

Company's Code of Conduct.

10 working contracts and employees' files

Non-compliance: NIL

1. Description of non-compliance:

NC against ETI       NC against Local Law       NC against customer code:

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:  
(where relevant please add photo numbers)

<p>2. Description of non-compliance:  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	
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Observation: NIL	
<p>Description of observation:</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	Objective evidence observed:

Good Examples observed:	
<p>Description of Good Example (GE):  <b>The company anticipates CIG to employees when CIG is made due to Covid-19 emergency.</b></p>	Objective Evidence Observed: Payrolls review.

Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal maximum: 40 hours/week	A1: 40 hrs/wk	A2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 8 hours/week	B1: 22 hrs / month	B2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal minimum: 1276,15 / month gross	C1: 1638,50 / month gross	C2: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
D: Overtime wage:	Legal minimum: 115%	D1: 115%	D2: <input checked="" type="checkbox"/> Yes

<i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>			<input type="checkbox"/> No
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<b>Wages analysis:</b>			
<a href="#">(Click here to return to Key Information)</a>			
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
A1: If No, why not?			
B: Sample Size Checked <i>(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	10 workers, March, June and December 2020.		
C: Are there different legal minimum wage grades? If Yes, please specify all.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If Yes, please give details: grades defined by the applied cba.	
D: If there are different legal minimum grades, are all workers graded and paid correctly?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A	D1: If No, please give details:	
E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> € 1638,50 / month gross, 1498,00 / month net.	
F: Please indicate the breakdown of workforce per earnings:	F1: ___% of workforce earning under minimum wage F2: ___% of workforce earning minimum wage F3: 100% of workforce earning above minimum wage		
G: Bonus Scheme found: Please specify details:	Bonus Scheme found: <i>Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.</i> None.		
H: What deductions are required by law e.g. social insurance? Please state all types:	Deductions required are for unemployment, pension funds, tax		
I: Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Please list all deductions that have been made.	1. social 2.fiscal  Please describe:

		I2: Please list all deductions that have not been made.	1. 2.  Please describe:
J: Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
K: Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details:		
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No M1: Please specify amount/time:		
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details:		
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: according to periodical CBA reviews.		
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: Please give details: personal files (employment contracts, payrolls, etc.).		
Q: How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other		

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	Q1: If other, please explain:
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**6: Working Hours are not Excessive**

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[\(Click here to return to Key Information\)](#)

**ETI**

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where all of the following are met:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

6.6 Workers shall be provided with at least one day off in every 7-day period or, where allowed by national law, 2 days off in every 14-day period.

**Current Systems and Evidence Examined**

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

**Current systems:**

The working program is 5 days/week, from 8.30-12.30 and 13.30-17300, no shifts are operated. Working times are recorded by an automatic timekeeping device. Leaves, 28 days/year, are taken according to the employees need, interviews confirmed. According to collective contract the OT is compensated with a minimum premium rate of 115% from base salary for OT performed during the week. From the checked records results that a maximum amount of 22 OT hrs was performed by one worker in December 2020, interviews with workers confirmed. Interviews with employees confirmed that working hours are correctly recorded and paid.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

CBA Commercio e Terziario.

ETI base code.

Company's Code of Conduct.

10 working contracts and employees' files Any other comments:

Non-compliance: NIL	
<p>1. Description of non-compliance:  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p> <p>2. Description of non-compliance:  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed:  <i>(where relevant please add photo numbers)</i></p>

Observation: NIL	
<p>Description of observation:</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed: NIL	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

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<b>Working hours' analysis</b> Please include time e.g. hour/week/month ( <a href="#">Go back to Key information</a> )					
<b>Systems &amp; Processes</b>					
A. What timekeeping systems are used: time card etc.	Describe: automatic system.				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: If no, please give details				
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:				
D: Are there any other types of contracts/employment agreements used?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If YES, please complete as appropriate: <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%; border: 1px solid black; text-align: center;"><input type="checkbox"/> 0 hrs</td> <td style="width: 25%; border: 1px solid black; text-align: center;"><input checked="" type="checkbox"/> Part time</td> <td style="width: 25%; border: 1px solid black; text-align: center;"><input type="checkbox"/> Variable hrs</td> <td style="width: 25%; border: 1px solid black; text-align: center;"><input checked="" type="checkbox"/> Other</td> </tr> </table> If "Other", Please define: no. 2 apprenticeship contracts.	<input type="checkbox"/> 0 hrs	<input checked="" type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input checked="" type="checkbox"/> Other
<input type="checkbox"/> 0 hrs	<input checked="" type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input checked="" type="checkbox"/> Other		
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please detail hours, %, types of workers affected and frequency Please give details:				
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain:  F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Maximum number of days worked without a day off (in sample):					

	5	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency:
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details:
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours: 22 / month	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	10%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: Interviews.
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of <u>standard</u> wages: 115%.
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency: 10% approx., on random basis depending on customer orders..

<p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<p> <input type="checkbox"/> No  <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium)  <input checked="" type="checkbox"/> Collective Bargaining agreements  <input type="checkbox"/> Other         </p> <p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p> <p>Minimum premium rate for OT stated by the CBA is 115% for the first 8 hrs of OT in the week, then it becomes 120%.</p>
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<p> <input type="checkbox"/> Overtime is voluntary  <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week  <input type="checkbox"/> Safeguards are in place to protect worker's health and safety  <input type="checkbox"/> Site can demonstrate exceptional circumstances  <input type="checkbox"/> Other reasons (please specify)         </p> <p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p> <input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No            Q1: If yes, please give details:         </p>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p> <input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No         </p>

**7: No Discrimination is Practiced**

[\(Click here to return to summary of findings\)](#)

ETI

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

**Current Systems and Evidence Examined**

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

Current systems:

Interviews with workers confirmed that no discriminatory practices are used (no pregnancy testing, no religious discrimination, no gender-based discrimination). Equal salaries are paid for the same job and job grade increase for an employee is performed only based on specific criteria, such as professional skills, which are annually evaluated, recorded and discussed with employees. The employment procedure is implemented and decision for employment taken by managers together with HR responsible, based on personal skills.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

CBA Commercio e Terziario.

ETI base code.

Company's Code of Conduct.

10 working contracts and employees' files Any other comments:

<p>A: Gender breakdown of Management + Supervisors (Include as one combined group)</p>	<p><b>Male: 44,1 %</b>  <b>Female 55,9 %</b>  <i>Source: Sustainability Report 2019</i></p>
<p>B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:</p>	<p>2, graphic designers.</p>
<p>C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:</p>	<p> <input type="checkbox"/> Hiring  <input type="checkbox"/> Compensation  <input type="checkbox"/> Access to training  <input type="checkbox"/> Promotion  <input type="checkbox"/> Termination or retirement  <input type="checkbox"/> No evidence of discrimination found         </p> <p>C1: Please give details:</p>

Professional Development

A: What type of training and development are available for workers?	H&S, job related training, sustainability training.
---	---

B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  If no, please give details:
--	---

Non-compliance: NIL	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:  Local law and/or ETI requirement:  Recommended corrective action:  2. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:  Local law and/or ETI requirement:  Recommended corrective action:	Objective evidence observed: <i>(where relevant please add photo numbers)</i>

Observation: NIL	
Description of observation:  Local law or ETI requirement:  Comments:	Objective evidence observed:

Good Examples observed: NIL

Description of Good Example (GE):

Objective Evidence Observed:



**8: Regular Employment Is Provided**

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

Additional Elements: Responsible Recruitment

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.

8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

8.5 Employment agencies must only supply workers registered with them.

8.6 Workers pay no recruitment fee at any stage of the recruitment process.

8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

**Current Systems and Evidence Examined**

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

Current systems:

Procedure regarding the employment is included in Collective contract. Almost all the employees are full time employed with permanent working contract. At the interviews workers declared that they receive a copy of individual working contract. All working contracts are registered according to the law, by means of the mandatory communications of employment to relevant authorities. 10 working contracts randomly selected were checked. Management declared that no home workers were used by the company and workers declared at interviews that they didn't know or heard about home working.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

CBA Commercio e Terziario.

ETI base code.

Company's Code of Conduct.

10 working contracts and employees' files Any other comments:

Non-compliance: NIL

<p>1. Description of non-compliance:  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p> <p>2. Description of non-compliance:  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed:  <i>(where relevant please add photo numbers)</i></p>
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Observation: NIL	
<p>Description of observation:</p> <p>Local law or ETI requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed: NIL	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

Responsible Recruitment

All Workers	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?</p>	<p><input checked="" type="checkbox"/> Terms &amp; Conditions presented  <input checked="" type="checkbox"/> Understood by workers  <input checked="" type="checkbox"/> Same as actual conditions</p> <p>A1: If any are unchecked, please describe finding and specific category(ies) of workers affected:</p>

<p>B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  B1: If yes, please describe details and specific category(ies) of workers affected:</p>
<p>C: If yes, check all that apply:</p>	<p><input type="checkbox"/> Recruitment / hiring fees  <input type="checkbox"/> Service fees  <input type="checkbox"/> Application costs  <input type="checkbox"/> Recommendation fees  <input type="checkbox"/> Placement fees  <input type="checkbox"/> Administrative, overhead or processing fees  <input type="checkbox"/> Skills tests  <input type="checkbox"/> Certifications  <input type="checkbox"/> Medical screenings  <input type="checkbox"/> Passports/ID's  <input type="checkbox"/> Work / resident permits  <input type="checkbox"/> Birth certificates  <input type="checkbox"/> Police clearance fees  <input type="checkbox"/> Any transportation and lodging costs after employment offer  <input type="checkbox"/> Any transport costs between work place and home  <input type="checkbox"/> Any relocation costs after commencement of employment  <input type="checkbox"/> New hire training / orientation fees  <input type="checkbox"/> Medical exam fees  <input type="checkbox"/> Deposit bonds or other deposits  <input type="checkbox"/> Any other non-monetary assets  <input type="checkbox"/> Other –                  C1: If other, please give details:</p>
<p>D: If any checked, give details:</p>	

<p><b>Migrant Workers: NA</b>  <i>The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i></p>			
<p>A: Type of work undertaken by migrant workers:</p>			
<p>B: Please give details about recruitment agencies for migrant workers:</p>	<p>B1: Total number of (in country recruitment agencies) used:                  B2: Total number of (outside of local country) recruitment agencies used:</p>		
<p>C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?</p>	<table border="1" style="width: 100%;"> <tr> <td data-bbox="627 1677 932 1870"> <p><input type="checkbox"/> Yes  <input type="checkbox"/> No                  C1: Please describe finding:</p> </td> <td data-bbox="932 1677 1505 1870"> <p>C2: Observations:</p> </td> </tr> </table>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No                  C1: Please describe finding:</p>	<p>C2: Observations:</p>
<p><input type="checkbox"/> Yes  <input type="checkbox"/> No                  C1: Please describe finding:</p>	<p>C2: Observations:</p>		
<p>D: Are Any migrant workers in skilled, technical, or management roles</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No                  D1: If yes, number and example of roles:</p>		

<p><i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i></p>	
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**NON-EMPLOYEE WORKERS**

<b>Recruitment Fees:</b>	
A: Are there any fees?	<input type="checkbox"/> Yes <input type="checkbox"/> No
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other  B1 – If other, please give details:
C: If any checked, give details:	

<b>Agency Workers (if applicable) NA</b> <i>(workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)</i>	
A: Number of agencies used (average):	A1: Names if available:
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No

<p>C: Were sufficient documents for agency workers available for review?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<p>D: Is there a legal contract / agreement with all agencies?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No  D1: Please give details:
<p>E: Does the site have a system for checking labour standards of agencies? If yes, please give details.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No  E1: Please give details:

<p>Contractors: NA  <i>Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,</i></p>	
<p>A: Any contractors on site?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If yes, how many contractors are present, please give details:
<p>B: If Yes, how many workers supplied by contractors?</p>	
<p>C: Do all contractor workers understand their terms of employment?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding:
<p>D: If Yes, please give evidence for contractor workers being paid per law:</p>	

**8A: Sub-Contracting and Homeworking**

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

8A.1 There should be no sub-contracting unless previously agreed with the main client.

8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

*Note to auditor on homeworking:*

*Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.*

*Note to auditor on subcontracting: auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers*

**Current Systems and Evidence Examined**

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

Current systems:

The company subcontracts the production of caps to external suppliers mainly based in China, approx.. 10 suppliers. They are obliged to give acceptance of company's Code of Conduct, in addition they are directly monitored by company's personnel by means of specific audits. The company is also implementing a program in order to map suppliers'-related risks, to be completed within 2021 and with the aid of SGS.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

If any processes are sub-contracted – please populate below boxes

Process Subcontracted	Process 1	Process 2
Name of factory		
Address		

Process Subcontracted	Process 3	Process 4
Name of factory		
Address		

Process Subcontracted	Process 5	Process 6
Name of factory		
Address		

Details:

Data about subcontractors are available, but the management prefer not to publish them for business-related reasons.

Non-compliance: NIL

<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI /Additional Elements requirement:</p> <p>Recommended corrective action:</p> <p>2. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p>
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Observation: NIL	
<p>Description of observation:</p> <p>Local law or ETI/Additional elements requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good Examples observed: NIL	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

<p><b>Summary of sub-contracting – if applicable</b></p> <p style="text-align: right;"><input type="checkbox"/> Not Applicable please x</p>	
<p>A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>A1: Please describe:</p>

B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes, summarise details: NA
C: Number of sub-contractors/agents used:	10 approx
D: Is there a site policy on sub-contracting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes, summarise details: the company asks subcontractors to accept its own code of conduct.
E: What checks are in place to ensure no child labour is being used and work is safe?	Audits at subcontractors' premises.

Summary of homeworking – if applicable			
<input checked="" type="checkbox"/> Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes, summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents:
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
E: How does the site ensure worker hours and pay meet local laws for homeworkers?			
F: What processes are carried out by homeworkers?			
G: Do any contracts exist for homeworkers?	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:		
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No		



**9: No Harsh or Inhumane Treatment is Allowed**

[\(Click here to return to summary of findings\)](#)

ETI

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

Additional elements:

9.2 companies should provide access to a confidential grievance mechanism for all workers

<p>A: Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&amp;S or any other grievances to a 3<sup>rd</sup> party?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  A1: Please give details: open door policy, H&amp;S and workers' representatives.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>Confirmed by interviews.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Open door policy.</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers  <input checked="" type="checkbox"/> Communities  <input checked="" type="checkbox"/> Suppliers  <input type="checkbox"/> Other                  D1: Please give details: all these groups can report to the company.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No                  E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  F1: If no, please give details</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  G1: If no, please explain</p>
<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No                  H1: If no, please give details</p>

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>I1: If yes, please give details fines are allowed by national labor laws.</p>
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**Current Systems and Evidence Examined**  
*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

Current systems:  
 Disciplinary violations are included in the CBA (written warning, demoting, wage reduction, suspension and dismissal). From documents and records reviewed were not observed any penalties for employees. At the interviews, the employees declare that they have a good relationship with management and the factory never applied any penalties. They declared also that they have access to management anytime they need to. During the audit was not noticed any complaints from the employees regarding penalties or another not ethical attitude from the management. During the interviews, no mental/physical coercion or intimidation were reported.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):  
 CBA Commercio e Terziario.  
 ETI base code.  
 Company's Code of Conduct.  
 10 working contracts and employees' files Any other comments:

Non-compliance: NIL

<p>1. Description of non-compliance:  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p> <p>2. Description of non-compliance:  <input type="checkbox"/> NC against ETI      <input type="checkbox"/> NC against Local Law      <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement:</p>	<p>Objective evidence observed:  <i>(where relevant please add photo numbers)</i></p>
--	---

Recommended corrective action:	
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Observation: NIL	
Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:

Good Examples observed: NIL	
Description of Good Example (GE):	Objective Evidence Observed:

**10. Other Issue areas: 10A: Entitlement to Work and Immigration**

[\(Click here to return to NC-table\)](#)

**Additional Elements**

10A.1 Only workers with a legal right to work shall be employed or used by the supplier.

10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

**Current Systems and Evidence Examined**

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

**Current systems:**

All individual labour contracts checked were found to be in accordance with legal requirements ((contracts for un-determined period, working time, base salary, annual leave, workers' rights, etc. are documented) and registered to labor authorities by means of the mandatory communication (UNILAV) related to social insurance. Employment realized by the factory. There is no use of agencies for employment. Interviews confirm. No probationary period was found in the records checked. No migrant workers in this company.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

CBA Commercio e Terziario.

ETI base code.

Company's Code of Conduct.

10 working contracts and employees' files Any other comments:

Non-compliance: NIL

**1. Description of non-compliance:**

NC against ETI/Additional Elements

NC against Local Law

NC against customer code:

Local law and/or ETI /Additional Elements requirement:

Recommended corrective action:

**2. Description of non-compliance:**

NC against ETI/Additional Elements

NC against Local

NC against customer code:

Local law and/or ETI/Additional Elements requirement:

Recommended corrective action:

Objective evidence observed:  
(where relevant please add photo numbers)

Observation: NIL	
Description of observation:  Local law or ETI/Additional Elements requirement:  Comments:	Objective evidence observed:

Good examples observed: NIL	
Description of Good Example (GE):	Objective Evidence Observed:

**10. Other issue areas 10B2: Environment 2–Pillar**

[\(Click here to return to summary of findings\)](#)

To be completed for a 2–Pillar SMETA Audit, and remove the following page which is 10B4 environment 4 pillar

10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.

10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.

**Current Systems and Evidence Examined**

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Since company only performs offices and logistic activities, no environmental impact is on charge of the company: no air or noise emissions, no water use or discharge, no resources consumption, no chemicals used, only urban wastes.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Factory tour, interviews with manager and workers.

Non-compliance: NIL

1. Description of non-compliance:

NC against ETI/Additional Elements

NC against Local Law

Objective evidence observed:  
(where relevant please add photo numbers)

Local law and/or ETI/Additional Elements requirement:

Recommended corrective action:

2. Description of non-compliance:

NC against ETI/Additional Elements

NC against Local Law

Local law and/or ETI/Additional Elements requirement:

Recommended corrective action:

Observation: NIL	
Description of observation:  Local law or ETI/additional elements requirement:  Comments:	Objective evidence observed:

Good examples observed: NIL	
Description of Good Example (GE):	Objective Evidence Observed:

**10. Other issue areas 10B4: Environment 4–Pillar**

[\(Click here to return to summary of findings\)](#)

To be completed for a 4–Pillar SMETA Audit and remove the previous page which is 10B2 environment 2 pillar

**B.4. Compliance Requirements**

10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.

10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.

10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements

10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.

10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details).

10B4.7 Businesses shall make continuous improvements in their environmental performance.

10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation

10B4.9 Businesses should have a nominated individual responsible for co–ordinating the site's efforts to improve environmental performance.

**B4. Guidance for Observations**

10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

*Note for auditors and readers. This environment section is intended to take not more than 0.25 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment, the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)*

**Current Systems and Evidence Examined**

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

Current systems:

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Any other comments:



Non-compliance:	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI/Additional Elements requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p>
<p>2. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI/Additional elements requirement:</p> <p>Recommended corrective action:</p>	

Observation:	
<p>Description of observation:</p> <p>Local law or ETI/Additional elements requirements:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good examples observed:	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

<b>Environmental Analysis</b> <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details:
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please give details:
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available?
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details:
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details:
H: Have all legally required permits been shown? Please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details:
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details:
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details:
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details:
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details:

<p>M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details:	
<p>N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details:	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: _____	Current Year: Please state period: _____
Electricity Usage: Kw/hrs		
Renewable Energy Usage: Kw/hrs		
Gas Usage: Kw/hrs		
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state result		
Water Sources: Please list all sources e.g. lake, river, and local water authority.	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
Water Volume Used: (m <sup>3</sup> )		
Water Discharged: Please list all receiving waters/recipients.	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>•</li> <li>•</li> <li>•</li> </ul>
Water Volume Discharged: (m <sup>3</sup> )		
Water Volume Recycled: (m <sup>3</sup> )		
Total waste Produced (please state units)		
Total hazardous waste Produced: (please state units)		
Waste to Recycling:		

---

(please state units)		
Waste to Landfill: (please state units)		
Waste to other: (please give details and state units)		
Total Product Produced (please state units)		

**10C: Business Ethics – 4-Pillar Audit**

[\(Click here to return to summary of findings\)](#)

To be completed for a 4-Pillar SMETA Audit

**10C. Compliance Requirements**

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

**10C. Guidance for Observations**

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

**Current Systems and Evidence Examined**

*To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*

Current systems:

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Details:

Any other comments:

Non-compliance:	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI/Additional Elements requirement:</p> <p>Recommended corrective action:</p> <p>2. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements      <input type="checkbox"/> NC against Local</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI/Additional elements requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p>

Observation	
<p>Description of observation:</p> <p>Local law or ETI/Additional elements requirement:</p> <p>Comments:</p>	<p>Objective evidence observed:</p>

Good examples observed:	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<p><input type="checkbox"/> Internal Policy  <input type="checkbox"/> Policy for third parties including suppliers</p> <p>A1: Please give details:</p>
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>B1: Please give details:</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>C1: Please give details:</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>D1: Please give details:</p>

Other findings

Other Findings Outside the Scope of the Code
NIL

Community Benefits <i>(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)</i>
NIL



## Appendix 1

<p>Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary."</p> <p style="text-align: center;"><input type="checkbox"/> Not Applicable please x</p>	
<p><i>NOTE: The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.</i></p>	<p><i>Instruction to Audit Company: fill in the relevant clauses from the Customer Supplier Code - where applicable.</i></p>
ETI Code / Additional Elements	Customer's Supplier Code equivalent
0.A. Universal Rights covering UNGP	0.A. Universal Rights covering UNGP
<p>0.A. Guidance for Observations</p> <p>0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.</p> <p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>0.A.3 Businesses shall identify their stakeholders and salient issues.</p> <p>0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p> <p>0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p>	
0.B. Management Systems & Code Implementation	0.B. Management Systems & Code Implementation
0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.	

<p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p>	
<p>ETI 1. Forced Labour</p>	<p>ETI 1. Forced Labour</p>
<p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.</p>	
<p>ETI 2. Freedom of association and the right to collective bargaining are respected</p>	<p>ETI 2. Freedom of association and the right to collective bargaining are respected</p>
<p>2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.</p> <p>2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p>	
<p>ETI 3. Working conditions are safe and hygienic</p>	<p>ETI 3. Working conditions are safe and hygienic</p>
<p>3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2 Workers shall receive regular and recorded Health &amp; Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p>	

<p>3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>3.5 The company observing the code shall assign responsibility for Health &amp; Safety to a senior management representative.</p>	
<p>ETI 4. Child labour shall not be used</p>	<p>ETI 4. Child labour shall not be used</p>
<p>4.1 There shall be no new recruitment of child labour.</p> <p>4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.</p> <p>4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.</p>	
<p>ETI 5. Living wages are paid</p>	<p>ETI 5. Living wages are paid</p>
<p>5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.</p>	
<p>ETI 6. Working Hours are not excessive</p>	<p>ETI 6. Working Hours are not excessive</p>
<p>6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</p> <p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.</p>	

<p>6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.</p> <p>6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <p>6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where <u>all</u> of the following are met:</p> <ul style="list-style-type: none"> <li>- this is allowed by national law;</li> <li>- this is allowed by a collective agreement <b>freely negotiated with a workers' organisation</b> representing a significant portion of the workforce;</li> <li>- appropriate safeguards are taken to <b>protect the workers' health and safety</b>; and</li> <li>- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.</li> </ul> <p>6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.</p>	
<p>ETI 7. No discrimination is practised</p>	<p>ETI 7. No discrimination is practised</p>
<p>7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.</p>	
<p>ETI 8. Regular employment is provided</p>	<p>ETI 8. Regular employment is provided</p>
<p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or</p>	

<p>provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p> <p>Additional Elements: Responsible Recruitment</p> <p>8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.</p> <p>8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.</p> <p>8.5 Employment agencies must only supply workers registered with them.</p> <p>8.6 Workers pay no recruitment fee at any stage of the recruitment process.</p> <p>8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p>	
<p><b>8A: Sub-Contracting and Homeworking</b></p>	<p><b>8A: Sub-Contracting and Homeworking</b></p>
<p>8A.1 There should be no sub-contracting unless previously agreed with the main client.</p> <p>8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.</p>	
<p>ETI 9. No harsh or inhumane treatment is allowed</p>	<p>ETI 9. No harsh or inhumane treatment is allowed</p>
<p>9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.</p> <p>Additional elements:</p> <p>9.2 companies should provide access to a confidential grievance mechanism for all workers</p>	
<p><b>10. Other Issue areas: 10A: Entitlement to Work and Immigration</b></p>	
<p>Additional Elements</p> <p>10A.1 Only workers with a legal right to work shall be employed or used by the supplier.</p> <p>10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p>	
<p><b>10. Other issue areas 10B2: Environment 2-Pillar</b></p>	

<p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.          10B2.2 The supplier should be aware of and comply with their end clients' <b>environmental requirements</b>.  <i>Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.</i></p>	
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SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
<p>B.4. Compliance Requirements            10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.            10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.            10B4.3 Businesses shall be aware of their end client's <b>environmental standards/code requirements</b>            10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.            10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.            10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).            10B4.7 Businesses shall make continuous improvements in their environmental performance.            10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation            10B4.9 Businesses should have a nominated individual responsible for <b>co-ordinating the site's</b> efforts to improve environmental performance.            B4. Guidance for Observations            10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.            10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.</p>	
Business Practices Section	

10C. Compliance Requirements

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10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented.



## Photo Form

<p>External view - offices</p>	<p>External view - warehouse</p>	<p>Emergency plan</p>
<p>Fitness room</p>	<p>warehouse</p>	<p>Load capacity tag on shelves</p>
<p>First aid box</p>	<p>Emergency exit</p>	<p>Firefighting equipment</p>



	<p><i>Insert photo</i></p>	<p><i>Insert photo</i></p>
<p>Firefighting equipment</p>		



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Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

You can leave feedback by following the appropriate link to our questionnaire:

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**[Click here for Supplier \(B\) members:](#)**

[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY\\_2brg\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRglY_2brg_3d_3d)

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