



# Sedex Members Ethical Trade Audit Report

Version 6.0



Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 1015133			
Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 1087348			
Business name (Company name):	„Zadrugar“ d.o.o.			
Site name:	„Zadrugar“ d.o.o.			
Site country:	<input type="checkbox"/> 2-Pillar		<input checked="" type="checkbox"/> 4-Pillar	
Site address: <i>(Please include full address)</i>	HQ: Drinska 21, 15320 Ljubovija Production site 1: Donja Ljuboviđa bb, 15320 Ljubovija Production site 2: Zvonički put bb, 15320 Ljubovija			
Site contact and job title	Mr. Aleksandar Zlatković, Sales and Organic Project Manager			
Site phone:	+381 64 8632 407			
Site e-mail:	<a href="mailto:zlatkovic@fruit.rs">zlatkovic@fruit.rs</a>			
SMETA Audit Type:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety	<input checked="" type="checkbox"/> Environment	<input checked="" type="checkbox"/> Business Ethics
Date of Audit	08-09/05/2019			

Audit Company Name & Logo:  TUV SUD		Report Owner (payee): <i>(If paid for by the customer of the site please remove for Sedex upload)</i> „Zadrugar“ d.o.o.
---	---	---

Audit Conducted By					
Commercial	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
NGO	<input type="checkbox"/>	Retailer	<input type="checkbox"/>	Brand Owner	<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 6.0 April 2017 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
  - Management systems and code implementation,
  - 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):

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

Lead auditor: Jovan Babić

Team auditor:

Interviewers: Jovan Babić

Report writer: Jovan Babić

Report reviewer: Sara Brandimatri

Date of declaration: 08/05/2019

*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.*

## Non-Compliance Table

Issue (please click on the issue title to go direct to the appropriate audit results by clause) <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>		Area of Non-Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Summary of Findings (note to auditor, summarise in as few words as possible, all findings, NC, Obs & GE's.)
		ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	Human Rights			<input type="checkbox"/>	<input type="checkbox"/>				
0B	<a href="#">Management systems and code implementation</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
1.	Freely chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
2	<a href="#">Freedom of Association</a>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>		1		OBs: <ul style="list-style-type: none"> <li>Company has adopted practice in regular meeting between worker representatives and management, but minutes of meeting are not maintained on adequate way to cover all tasks (e.g. only reports about taken measures against worker complaints sent through suggestion boxes)-it is recommended to record all discussed tasks which are significant for workers. / Kompanija je usvojila dobru praksu održavanja redovnih sastanaka menadžmenta i predstavnika zaposlenih, ali zapisnici sa sastanaka sadrže samo izveštaj o merama koju preduzete u odnosu na eventualne žalbe radnika preko poruka iz sandučića za sugestije.. Preporuka je da se u zapisnike unose svi zaključci koji su od interesa za radne odnose, bez obzira na njihov izvor.</li> </ul>
3	<a href="#">Safety and Hygienic Conditions</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>		1	1	OBs: <ul style="list-style-type: none"> <li>It is recommended to distribute ear protection</li> </ul>

									<p>equipment on location Donja Ljubovića although noise level is not over defined limits (in accordance with valid reports from authorized laboratory)./Preporuka da se na lokaciji hladnjače Donja Ljubovića obezbede zaštitni čepići za sluh iako je nivo bude ispod propisanog limita, prema izveštajima o ispitivanju od strane ovlašćene kuće.</p> <p>GEs</p> <ul style="list-style-type: none"> <li>Company has excellent practice in organization of internal trainings for employees in area of health and safety at work./Demonstrirana je odlična praksa u organizaciji internih obuka za bezbednost i zdravlje na radu.</li> </ul>
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
10B2	Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1	2		<p>NCs:</p> <ul style="list-style-type: none"> <li>Waste management is not completely conforming to legislative requirements – Plan for waste management is not implemented although</li> </ul>



									<p>company generates more than 10t of waste on yearly level./Nije izrađen Plan za upravljanje otpadom iako kompanija generiše veću količinu otpada od one za koju se zahteva postojanje ovakvog plana (preko 10t na godišnjem nivou).</p> <ul style="list-style-type: none"> <li>Some kind of waste is not adequate stored: used oil filters are stored out of designated area; no adequate records about used filters quantity on temporary storage./Neke vrste otpada (konkretno iskorišćeni uljni filteri) nisu skladištene na odgovarajući način: nalaze se van obezbeđenog skladišta opasnog otpada i ne vode se predviđene evidencije o količinama filtera na skladištu.</li> </ul> <p>OBs:</p> <ul style="list-style-type: none"> <li>It is recommended to install receiving tanks under the package with chemicals. It is recommended to assure availability of adequate absorbents for reaction in case of leakage of chemicals. /Preporuka da se postave odgovarajuće prijemne tankvane ispod svih pakovanja tečnih i praškastih hemikalija u skladištu. Preporuka da se obezbede odgovarajući absorbent kao i posude za prihvatanje kontaminiranih absorbentata na mestima gde može doći do curenja hemikalija.</li> </ul> <p>GEs:</p> <ul style="list-style-type: none"> <li>Very good management of waste water./Upravljanje otpadnim vodama je na zavidnom nivou: postoji vodna dozvola, izgrađen je adekvatan sistem separatora.</li> </ul>
10C	Business Ethics		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

\*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:	„Zadrugar“ d.o.o.																
B: Site name:	„Zadrugar“ d.o.o.																
C: Applicable business and other legally required licence numbers and documents for example, business license no, liability insurance, any other required government inspections	Business registration number: 074017 87 Tax registration nr. (VAT number):101302164																
D: Products/Activities at site, for example, garment manufacture, electricals, toys, grower	Storage, processing, packaging and distribution of frozen fruits.																
E: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>Company Zadrugar d.o.o. was established 1991. Company is located in city of Ljubovija, near the river Drina close to Bosnian border. HQ of company is located in Ljubovija, one of cold stores is located in Ljubovija and second in Ljuboviđa, about 10 km of head office. Thanks to excellent management, permanent investment, most modern technology and</p> <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>Production building-location Donja Ljuboviđa</td> <td>Sorting and packing of fruits</td> <td>n/a</td> </tr> <tr> <td>Storage-location Donja Ljuboviđa</td> <td>Storage of raw material (fresh fruits) and storage of final production (sorted and packaged fruits)</td> <td>n/a</td> </tr> <tr> <td>Production building-location Stara Ljubovija</td> <td>Sorting and packing of fruits</td> <td>n/a</td> </tr> <tr> <td>Storage-location Stara Ljubovija</td> <td>Storage of raw material (fresh fruits) and storage of final production (sorted and packaged fruits)</td> <td>n/a</td> </tr> </tbody> </table> <p>equipment, Zadrugar d.o.o. is one of leading companies in production and export of frozen fruit in region. Zadrugar has production volume about 10.000 tons per year of different frozen fruit: raspberry, cultivated blackberry, sour cherry and plum. Cold storage capacity is 9.000 tons per year. Freezing tunnels provide a capacity for freezing 300 tons of fresh fruit per day. Zadrugar is is focused on organic production</p>		Production Building no	Description	Remark, if any	Production building-location Donja Ljuboviđa	Sorting and packing of fruits	n/a	Storage-location Donja Ljuboviđa	Storage of raw material (fresh fruits) and storage of final production (sorted and packaged fruits)	n/a	Production building-location Stara Ljubovija	Sorting and packing of fruits	n/a	Storage-location Stara Ljubovija	Storage of raw material (fresh fruits) and storage of final production (sorted and packaged fruits)	n/a
Production Building no	Description	Remark, if any															
Production building-location Donja Ljuboviđa	Sorting and packing of fruits	n/a															
Storage-location Donja Ljuboviđa	Storage of raw material (fresh fruits) and storage of final production (sorted and packaged fruits)	n/a															
Production building-location Stara Ljubovija	Sorting and packing of fruits	n/a															
Storage-location Stara Ljubovija	Storage of raw material (fresh fruits) and storage of final production (sorted and packaged fruits)	n/a															



	<p>in which he is a leader in the region. Company has implemented and certified many recognized international standards for quality management system and food safety.</p> <p>For below, please add any extra rows if appropriate.</p> <p>Visible structural integrity issues (large cracks) observed and without structural engineer evaluation</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Details: No observed any visible structural integrity.</p>
F: Site function:	<p><input type="checkbox"/> Agent</p> <p><input checked="" type="checkbox"/> Factory Processing/Manufacturer</p> <p><input type="checkbox"/> Finished Product Supplier</p> <p><input type="checkbox"/> Grower</p> <p><input type="checkbox"/> Homeworker</p> <p><input type="checkbox"/> Labour Provider</p> <p><input type="checkbox"/> Pack House</p> <p><input type="checkbox"/> Primary Producer</p> <p><input type="checkbox"/> Service Provider</p> <p><input type="checkbox"/> Sub-Contractor</p>
G: Month(s) of peak season: (if applicable)	July and August.
H: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	<p>Products: Frozen fruits.</p> <p>Main production processes: Receiving of fresh fruits, freezing, stabilizing storage, selection, storage, packaging and distribution.</p>
I: What form of worker representation / union is there on site?	<p><input type="checkbox"/> Union (name)</p> <p><input type="checkbox"/> Worker Committee</p> <p><input checked="" type="checkbox"/> Other (specify): worker representatives.</p> <p><input type="checkbox"/> None</p>
J: Is there any night production work at the site?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>
K: Are there any on site provided worker accommodation buildings e.g. dormitories	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes approx. % of workers in on site accommodation</p>
L: Are there any off site provided worker accommodation buildings	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If Yes approx. % of workers</p>
M: Were the site provided accommodation buildings included in this audit	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If No, please give details : there are no accommodation buildings in frame of factory.</p>

Audit Parameters			
A: Time in and time out	Day 1 Time in: 09.00 Day 1 Time out: 19.00	Day 2 Time in: 08.00 Day 2 Time out: 18.00	Day 3 Time in: Day 3 Time out:
B: Number of Auditor Days Used:	2,5		
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 – 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 <b>Yes</b> , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Mr. Aleksandar Zlatković, Sales and Organic Project Manager		
H: Is further information available(if Y please contact audit company for details )	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
I: Previous audit date:	18-19/05/2016 (monitoring firm SGS)		
J: Previous audit type:	SMETA SEDEX IV Pillar		
K: Was any previous audit reviewed during this audit	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> N/A Note: previous audit report was available for review and discussion as well as client progress in realization of issued measures during this audit.		

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 type="checkbox"/> Yes <input checked="" 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	Management didn't invited workers at the opening and closing meeting.		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	No formed trade union in 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 and where they do not intend to remain permanently 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*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	61	27	/	/	/	/	/	88
Worker numbers – female	99	80	/	/	/	/	/	179
Total	160	107	/	/	/	/	/	267
Number of Workers interviewed – male	6	3	/	/	/	/	/	9
Number of Workers interviewed – female	10	9	/	/	/	/	/	19
Total – interviewed sample size	16	12	/	/	/	/	/	28

A: Nationality of Management	Serbian
B: Majority nationality of workers	Main countries: Serbia Country 1: Serbian approx % total workforce 1000% Country 2: approx % total workforce Country 3: _____ approx % total workforce _____
C: Worker remuneration (management information)	_____% workers on piece rate _____% hourly paid workers 100 % salaried workers  Payment cycle: _____% daily paid _____% weekly paid 100 % monthly paid _____% other – please give details

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>	Five groups of of four workers
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	Male: 2      Female: 4
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 N, 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?	Employees are satisfied with working conditions and communication with management, in generally. Employees stated that company has very good business results and they expect increase in salary in future period.
I: What did the workers like the most about working at this site?	Very good internal communication and strong focus on health and safety are common remarks from all interviews. Many of interviewed workers have long experience in working in this company and they confirm that company is one of best employer in region.
J: Any additional comment(s) regarding interviews:	Employees are satisfied with working conditions and communication with management, in generally.
K: Attitude of workers to hours worked:	Favourable: good cooperation with management related organization of working shifts, practically no overtime in last two years.
L. Is there any worker survey information available?	

☒ Yes  
☐ No

If Yes, please give details: available periodical Analyses of employees satisfaction.

#### M: Attitude of workers:

(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

Company management demonstrated understanding that auditor will realize audit including confidential interviews with freely selected workers. Interviews with randomly selected employees from different departments and shifts were conducted, on both production locations. The interviews took places in separate rooms where the interviewed employees felt comfortable.

All interviewed workers were open to the auditor. During interviews confirmed that no original documents were kept by the company, except the original labor documents in accordance with law regulation. During interviews also confirmed that no any kind of discrimination, no child labor in the company, no deductions. Only positive feedback was obtained about the management and the company in general.

Main auditor's impression is that employees are satisfied with working conditions, in general, especially with relationship between management and employees.

#### 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

During audit, conducted interview with workers representative N. Bojan (company has two representatives: on for location Donja Ljuboviđa and ono on location Stara Ljubovija) in very open manner. Confirmed good communication with company management, from side of worker representative.

#### O: Attitude of managers:

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

Confirmed full commitment of management towards integrating the ETI Base Code principles into the company business culture as well as understanding of importance and benefits of having an effective management system in area of corporate social responsibility.

Company management has provided suport for the realization of audit and the whole time of audit was available to the auditor for all necessary information. Their understanding of the objectives of the audit and support for realization of audit were on a very good level. Provided visit of the whole site in order to create a clear picture of conditions in the workplace. All required documents and records were present for review. The management were very open for discustion related issued findings during closing meeting.



## Audit Results by Clause

<p>0A: Human Rights <a href="#">(Click here to return to NC-table)</a></p>
<p><b>0.A. Guidance for Observations</b></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> <p>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 human rights responsibilities.</p>

<p><b>Current Systems and Evidence Examined</b></p> <p><i>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.</i></p>
<p><b>Current systems:</b></p> <p>Company has implemented Social policy which included human rights impact and issues; nominated manager responsible for compliance with Ethi Base Code requirements.</p> <p><b>Evidence examined – to support system description (Documents examined &amp; relevant comments. Include renewal/expiry date where appropriate):</b></p> <p>Checked Social policy, issue 1 dated November 2016; "Ethical Code of conduct" version translated on Serbia; "Decision about nomination of responsible for Code compliance" no. 02/2016 dated 03/05/2016 (named Mr. Rade Ignjatovic).</p>

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Company has implemented Social policy which included human rights impact and issues; nominated manager responsible for compliance with Ethi Base Code requirements.</p>
---	--

B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: "Decision about nomination of responsible for Code compliance" Name: Rade Ignjatovic Job title: management representative
C: Does the businesses have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employees can address confidentially any remark related human rights. Exist installed suggestion boxes.
D: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The company keeps original documents of workers only if required by law. For all of employees exists well managed personal file.

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

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

## 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)	Last year: Bellow 3 %	This year Bellow 2 %
B: % Quarterly (90 days) turnover # terminations from the first of the 90 day period through to the last day of the 90 day period / [(# employees on the 1 <sup>st</sup> of day of 90 day period + # employees on the last day of the 90 day period) / 2]	Bellow 2 %	
C: % absenteeism # of days lost through job absence in the month / [(# employees on 1 <sup>st</sup> of the month + # employees on the last day of the month) / 2] * # available workdays in the month	Last year: 2,4 %	This year 2,5 %
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: company maintained Register of accidents (e.g. one injury recorded during 2018, one injury recorded in 2019).	
F: # work related accidents and injuries per 100 workers [# work related accidents and injuries * 100] / # total workers]	Last year: 2018 Number: 1	This year: 2019 Number: 1
G: Lost day work cases per 100 workers [(# lost days due to work accidents and work related injuries * 100) / # total workers]	0,2 %	0,2 %
H: % workers that work on average more than 48 hours / week in the last 6 / 12 months	6 months 0 % workers	12 months 0 % workers
I: % workers that work on average more than 60 hours / week in the last 6 / 12 months	6 months 0 % workers	12 months 0 % workers
J: % Workers report that they know what paid leave is due to them (I.e. is it communicated and understood)	100 % workers	
K: % complaints resolved / grievances responded to.	100 % complaints / grievances responded to	100 % complaints / grievances resolved

## OB: Management system and Code Implementation

[\(click here to return to NC Table\)](#)

- 0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.3 Suppliers are expected to communicate this Code to all employees.
- 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.

## 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:**

Company have implemented own Social policy as well as translated version of ETI Base Code. The Code is available to employees through communication boards within company. All employees are trained related Ethical code principles. Demonstrated good proactive in communication CSR values through own supply chain.

Nominated management responsible for compliance in area of corporate social responsibility.

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

## Details:

Checked Social policy, issue 1 dated November 2016; "Ethical Code of conduct" version translated on Serbia;

"Decision about nomination of responsible for Code compliance" no. 02/2016 dated 03/05/2016 (named Mr. Rade Ignjatovic).

Employment rulebook, last issue dated 15.05.2018.

Rulebook of organization and work places systematization, dated 17.03.2016

Any other comments:

**Management Systems:**

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?

☐ Yes

☒ No

Please describe:

B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?

☒ Yes

☐ No

Please describe: exist adopted ETI Base code translated on Serbian and Social policy. All employees are trained in company principles that discrimination and abuse are not allowed and related policy for protection of whistling.

C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	Every individual personal files contents signed by employee: "Prohibition of abuse" and "Acceptance of whistling protection declaration"
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 Please describe: In accordance with developed internal procedures and policy, each of employees have signed records "Prohibition of abuse" and "Acceptance of whistling protection declaration".
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 Please describe: : In accordance with developed internal procedures and policy, each of employees have signed records "Prohibition of abuse" and "Acceptance of whistling protection declaration".
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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: ISO 9001, IFS and Global Gap certified by .
G: Is there a Human Resources manager/department? If Yes, please detail.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe: no formally nominated HR manager.
H: Is there a senior person /manager responsible for implementation of the Code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Checked available checked „Decision of nomination responsible manager for compliance with Eti Base Code and SMETA SEDEX principles“.
I: Is there a policy to ensure all worker information is confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: exist procedure about maintenance employee file and all workers information in frame of existing ISO 9001 system.
J: Is there an effective procedure to ensure confidential information is kept confidential	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: exist procedure about maintenance employee file and all workers information.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: through existing ISO 9001 procedures.
L: Does the facility have a process to address issues	<input checked="" type="checkbox"/> Yes

found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input type="checkbox"/> No Details: exist procedure for identification of risks and opportunities, checked available "Register of risk and opportunities" updated April 2019.
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 Details: exist procedure for identification of interested parties and communication with them which are included questions and evaluation of labour standards adopted by suppliers.
<b>Land rights</b>	
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 Details: company has all permits required by law related objects and company registration. Checked Permit to use for location Donja Ljuboviđa no. 351-3/13-04 dated 14.03.2013. form Municipality of Ljubovija; Permit to use for location Stara Ljubovija no. dated 19.04.1985. form Municipality of Ljubovija.
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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: in frame of Identification of law regulation and periodical evaluation of compliance with law regulation and other requirements.
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	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, how does the company obtain FPIC:
Q: Is there evidence that facility site compensated the owner/lessor for the land prior to the facility being built or expanded. Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:
R. Does the Facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: no any evidence of illegal appropriation of land-for review were available all permits and contracts.



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

Observation:	
<b>1. Description of observation:</b> <b>Local law or ETI requirement:</b> <b>Comments:</b>	<b>Objective evidence observed:</b>
<b>2. Description of observation:</b> <b>Local law or ETI requirement:</b> <b>Comments:</b>	

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

1: Freely Chosen Employment  
[\(Click here to return to NC-table\)](#)

**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:**

No any evidence of engagement any forced or bonded labour in company. Each employee signs an individual labour contract before employees. Copies of these contracts are kept in the workers folder. Company demonstrated good practice in management with personal folders of employees. The company keeps workers original documents only if required by law. Employees may resign with two weeks notice period. No required deposits for recruitment. No evidence for any deposits. Hiring practice is clear defined in existing rulebook. Through review of personal files and interviews with workers confirmed all the above.

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

**Details:**

For example checked ten personal dossiers of employees.  
 For selected workers checked employment contracts as well as certificates of social insurance.  
 Also checked Employment rulebook, last issue July 2017 as well as Rulebook about organization and systematization.

Any other comments: n/a

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes please give details and category of workers affected
B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected
C: Is there Any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected

<p>D: Are there any restrictions on workers' freedom to terminate employment?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>Please describe finding: Employees may resign with 2 weeks notice period. It is stated in individual employment contracts and confirmed through interviews with workes and workers represntative.</p>
<p>E: If any part of the business is UK based / registered &amp; turnover is 36m+ there is a requirement to publish a 'modern day slavery statement.  Is there a modern day slavery statement published</p>	<p><input type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>Please describe finding:</p> <p><input checked="" type="checkbox"/> Not applicable</p>
<p>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</p> <p>Please describe finding: the employees are free to leave work place at the end of the shift or at any time (in case of a valid reason). It was confirmed by employees during interviews.</p>
<p>F: Does the site understand the risks of forced / trafficked / bonded labour in it's supply chain</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>Please describe finding: it is part of document Identification and evaluation of interested parties.</p> <p><input type="checkbox"/> Not applicable</p> <p>If yes please give details and category of worker affected: company understand this risk and has methodology for evaluation of this risk in own supply chain, but there is no any evidence about any case of force/trafficking/bonded labour within supply chain of company.</p>
<p>G: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes  <input type="checkbox"/> No</p> <p>Please describe finding: through implemented methodology for risk analyses, identification and evaluation of suppliers.</p>

Non-compliance:	
<p><b>1. Description of non-compliance:</b>  <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><b>2. Description of non-compliance:</b>  <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><b>Objective evidence observed:</b>  <i>(where relevant please add photo numbers)</i></p>

Observation:	
<p>Description of observation:</p> <p>Local law or ETI 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>

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

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

### 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:

No formed union in company. Exist function of worker representative. Management and workers confirmed that no restriction in company related forming of union in company.

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

#### Details:

During audit, realized interview with worker representative. Checked available Employment rulebook and Rulebook of organization and work places systematization. Management and workers confirmed that no restriction in company related forming of union in company.

Any other comments:

A: What form of worker representation/union is there on site?	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input checked="" type="checkbox"/> Other (specify): worker representative <input type="checkbox"/> None
B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: Is there any other form of	<input checked="" type="checkbox"/> Yes

effective worker/management communication channel? (Other than union/worker committee) e.g. H&S, sexual harassment	<input type="checkbox"/> No Describe: Open door, regular (weekly) meetings between management and workers.  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 Details: confirmed during interviews with worker representative it was confirmed that they have all needed resources (space, adequate time...) for good communication with employees.	
F: Name of union and union representative, if applicable:		Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If no union what is parallel means of consultation with workers e.g. worker committees?.	HS committee and worker representative	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	Date of last election: June 2017.
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 <b>Yes</b> , please state how many: Interviewed one worker representative.	
L: State any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Exist regular health and safety meetings and monthly meetings between management and worker representatives.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
N: If <b>Yes</b> what percentage by trade Union/worker representation	___% workers covered by Union CBA	___% workers covered by worker rep CBA
O: If <b>Yes</b> , does the Collective Bargaining Agreement (CBA) include rates of pay	<input type="checkbox"/> Yes <input type="checkbox"/> No	



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

Observation:	
<p><b>Description of observation:</b></p> <p>Company has adopted practice in regular meeting between worker representatives and management, but minutes of meeting are not maintained on adequate way to cover all tasks (e.g. only reports about taken measures against worker complaints sent through suggestion boxes)-it is recommended to record all discussed tasks which are significant for workers. / Kompanija je usvojila dobru praksu održavanja redovnih sastanaka menadžmenta i predstavnika zaposlnih, ali zapisnici sa sastanaka sadrže samo izveštaj o merama koju preduzete u odnosu na eventualne žalbe radnika preko poruka iz sandučića za sugestije.. Preporuka je da se u zapisnike unose svi zaključci koji su od interesa za radne odnose, bez obzira na njihov izvor.</p> <p><b>Local law or ETI requirement:</b></p> <p><b>Comments:</b></p>	<p><b>Objective evidence observed:</b></p> <p>-checking of documents, interviews</p>
Good Examples observed:	
<p>Description of Good Example (GE):</p>	<p><b>Objective evidence observed:</b></p>

### 3: Working Conditions are Safe and Hygienic

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

#### 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:

Demonstrated a very good level of awareness of management on the permanent improvement of safety and health at work. Visible good working conditions – clean, tidy and properly marked. The noise, lighting, temperature and ventilation seem proper for good working conditions. The maintenance of infrastructure equipment is done periodically and all were found valid at the time of assessment.

During site tour, it was noted that: the company posted the evacuation plans on work floors, which indicated escape routes and the location of the fire extinguishers; the company maintained a comfortable working conditions; all switches in the electrical control panels have been labelled; the electrical system was in a good condition; sufficient first aid kits stocked with necessary supplies are provided in workshops; PPE were provided to workers; drinkable water was available; exit signs and emergency lights were installed. Risk assessment on work places performed in accordance with law requirements. Note: final conclusion of valid risk assessment for all work places is that there exists one work place with higher risk, as per used methodology for hazard and risk identification and evaluation. Personal protective equipment was provided to all the employees according to the risk assessment of each position. All employees received work clothing with the company logo. All the containers of chemical materials are stored properly and labelled. Moreover, the Material Safety Data Sheets are available near the place where chemical substances are stored or utilized being posted on each chemical container with appropriate work instruction for reaction in case of emergency.

The eating area kept clean and are provided with all necessary equipment and conditions. Toilets are segregated by gender and appeared in good conditions. All the necessary supplies are provided including toilet seats, toilet paper, soap and towels.

All employees are trained for fire protection and health and safety at work, in accordance with law regulation. Production equipment, fire protection equipment, micro climate conditions checked periodically and were found that no any negative findings in reports from authorized organization.

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

#### Details:

Rulebook health and safety at work, dated 01/06/2018

Fire protection rulebook, dated August 2016

Contract with external provider for fire protection with company Zare 021, dated 11.05.2018.

Contract with authorized organization DVD Ljubovija for periodical testing of fire fighting equipment, dated 12.05.2016.

"Risk assessment for work places" dated June 2018 done in cooperation with external authorized company Demag; also checked "Risk assessment for work place Production operator" dated June 2018 and "Risk assessment for work place: fork lift operator" dated June 2018. Employees on work places with higher risk have regular medical examination, for example checked Report no. 430 dated 10.12.2018. from Medicina rada Loznica (employee DS).

Checked "Evidence of used PPE for workers in production" dated February 2019 (e.g. employee GM, date of PPE receipt 07.02.2019., employee SP dated 02.08.2018.)

Reports about individual HS training in accordance with risk assessment, checked: „Record about individual H&S training" on record required by law "Obrazac 6" (e.g. checked for employee CD, date of training 23/02/2015, for employee MJ, dated of training 23/02/2017, employee GP, date of training 10/07/2018; employee GM dated 01/07/2018, employee MS dated 01/07/2018., employee SP 02.08.2018., employee DS date of training 05.07.2018.).

Individual trainings in fire protection, checked "Fire protection training and test" dated 01/03/2019 employee MS, employee MG, date of training 25/09/2018, employee DS, date of training 12/06/2018; employee ZD, date of training 06/09/2017.

Company has practice in periodical organization of evacuation drill, for example checked Report of last evacuation drill in cold store Donja Ljubovida, dated 09.04.2019.

Register of injuries at work, updated May 2019 (e.g. one injury during 2018., one injury in 2019.)

Report about injury at work dated 16.06.2018. (employee AT).

"Report about micro climate conditions control in summer period" no. 01-821/SA dated 21.07.2016. from external authorized company Institut za bezbednost i preventivni inzenjering (location Stara Ljubovija).

"Report about micro climate conditions control in summer period" no. 01-821/SA-a dated 21.07.2016. from external authorized company Institut za bezbednost i preventivni inzenjering (location Donja Ljubovida).

„Report about periodical control of production equipment" no. 01-852-SA dated 05.07.2018. from Institut za bezbednost i preventivni inzenjering (e.g. fork lift Linde, type E16C-10).

"Report of periodical control of fire extinguishers set" no. 44-03/19 dated 28/03/2019 from external authorized company DVD Ljubovija;

"Report of periodical control of fire hydrant set" no. B1-03/19 dated 28.03.2019. from Pozar Gas.

A: Does the facility have general Health & Safety and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?

☒ Yes

☐ No

Details: Details: Exist "Health and safety Rulebook" and "Fire protection Rulebook".

<p>B: Are the policies included in worker's manual?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: Details: checked adopted "Health and safety Rulebook" and "Fire protection Rulebook". These documents are permanently available to the employees.</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</p> <p>Details: no any structural additions.</p>
<p>D: Are visitors to the site informed on H&amp;S and provided with personal protective equipment</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Details: visitors in the organisation are always accompanied, so they cannot walk around production or other rooms alone. Before site visit all visitors need to pass internal training and sign adequate confirmation about introduction with company rules.</p>
<p>E: Is a medical room or medical facility provided for workers?</p> <p>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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Details: there are first-aid-cabinets in the production, persons competent to perform first-aid are professionally trained</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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Details:</p>
<p>G: Where facility provides worker transport - it is fit for purpose, safe and maintained and operated by competent persons e.g. buses and other vehicles</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: company has one bus two mini-buses for transport of workers. Buses are periodically checked (twice per year) in accordance with law regulation (e.g. Confirmation of technical inspection dated 20.09.2018. from authorized organization Tajm). Exist contract for technical maintenance of buses. Only licenced drivers are nominated for driving (e.g. checked employment contract for driver TZ dated 01.09.2014.).</p>

H: Secure personal storage space is provided for workers in their living space and is fit for purpose	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: adequate storage spaces are observed during site visit.
I: H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and there are controls to reduce identified risk	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: part of risk analyses is analyses of overtime engagement. Company has implemented many measures in order to prevent overtime. It has result that in last two years no any evidence of using overtime over defined law limits (confirmed through interviews and through review of documents and time records).
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 Please describe: checked adequate Permit to use from Municipality of Ljubovija for both cold stores.
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 Please describe: all chemicals has safety data sheets on Serbian. Employees are trained for handling of chemicals. All individual producers of fruit also trained in using of chemicals which are used for fruit protection.

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

Observation:	
<p><b>1. Description of observation:</b> It is recommended to distribute ear protection equipment on location Donja Ljubovića although noise level is not over defined limits (in accordance with valid reports from authorized laboratory)./Preporuka da se na lokaciji hladnjače Donja Ljubovića obezbede zaštitni čepići za sluh iako je nivo bude ispod propisanog limita, prema izveštajima o ispitivanju od strane ovlašćene kuće</p> <p><b>Local law or ETI requirement:</b> Law on safety at work (Official Gazette of Republic of Serbia no. 101/2005, 91/2015, 113/2017) ETI requirement: 3.1</p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b> -Site visit</p>
<p><b>2. Description of observation:</b></p> <p><b>Local law or ETI requirement:</b></p> <p><b>Recommended corrective action:</b></p>	

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



4: Child Labour Shall Not Be Used  
[\(Click here to return to NC-table\)](#)  
[\(Click here to return to Key Information\)](#)

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:**

Exist clear procedure for verification of worker's age before recruitment. During recruitment process company check the ID cards and keep a copy of it in the worker's file, in accordance with law regulation. The minimum age of employment at the company is 19 years. All the employees have personnel file which containing a national ID copy, a labor contract, social security registration and a copy of the education certificate (if applicable). The employment contracts are signed by both the company director and the employee.

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

Checked "List of employed workers" dated 01/05/2019, checked "Personal contract" and "Worker dossier". Each employee dossier included photocopied ID card which list name of employee, household address and the date of birth.

A: Legal age of employment	15
B: Age of youngest worker found:	19
C: Children present on workforce but not working at 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: Workers under 18 subject to hazardous work assignments? <a href="#">(Go to clause 3 – Health and Safety)</a>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Y give details

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

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

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

### 5: Living Wages are Paid

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

#### 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 wages are paid twice per month through bank transfer to the individual account of each of worker. Each worker get a payslip with data about wage calculation. The monthly remuneration equals the basic wage plus additional payment. Through interviews with workers and checking of documents, it was confirmed that no delay in payment.

Only the applicable legal deductions made from the monthly remuneration such as social and health and security and income tax. Evidences for the payment of social insurances were presented.

During interviews, workers confirmed that they aware about the salary scheme, including amount deductible for social insurance. Through checking of payslips and wage lists, it was confirmed that lowest salary in company is 5% higher of minimum wage defined on country level.

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

Details:

Rulebook about organization and systematization of working places;

Employment rulebook;

„Summary wages list for July 2018“, “Summary wages list for August 2017”; “Summary wages list of December 2018”; “Summary wages list of April 2019”

Also checked payslips for four month of twenty six employees.

#### Non-compliance:

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

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

##### Objective evidence observed:

*(where relevant please add photo numbers)*

<p><b>Local law and/or ETI requirement:</b></p> <p><b>Recommended corrective action:</b></p> <p><b>2. Description of non-compliance:</b>  <input type="checkbox"/> NC against ETI    <input type="checkbox"/> NC against Local Law    <input type="checkbox"/> NC against customer code:</p> <p><b>Local law and/or ETI requirement:</b></p> <p><b>Recommended corrective action:</b></p>	
---	--

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

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

### 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 per week	40 hours per week	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal maximum: 4 hours per day, 8 hours per week, 32 hours per month	4 hours per day, 8 hours per week, 24 hours per month	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

D: 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: (minimum wage on country level is 153 RSD per hour, on monthly level for 168 hours minimum wage is 25.704 RSD).	Minimum wage in company for 168 in was 28.032 RSD.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
E: overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal minimum: 26% per hour	26% per hour	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Wages analysis:		
<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	
B: If <b>No</b> , why not?		
C: Sample Size Checked (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)	Checked pay slips for ten workers for four months: July 2018, August 2018, December 2018 and April 2019.	
D: Are there different legal minimum wage grades? If <b>Yes</b> , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If <b>Yes</b> , please give details:
E: If there are different legal minimum grades, are all workers graded and paid correctly?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	If <b>No</b> , please give details:
F: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<p>Lowest Wages found: Note: full time employees and please state hour / week / month etc.</p> <p>Minimum wage in company for 168 in was 28.032 RSD.</p>	Please indicate the breakdown of workforce per earnings:
	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet	____ % of workforce earning under min wage 100 % of workforce earning min wage ____ % of workforce earning above min wage

	<input type="checkbox"/> Above	
G: Bonus (amount specify)	Bonus Scheme found: <i>Note: full time employees and please state hour / week / month etc.</i>	
H: What deductions are required by law e.g. social insurance? Please state all types:	Social, health and pension insurance	
I: Have these deductions been made? Please list all deductions that have/have not been made.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, 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 <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 Details: payslip records reflect total amount of worked hours and salary in accordance with contracted values.	
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 checked="" type="checkbox"/> No Please specify amount/time:	
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 Details:	
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	

	Details: checked Employment rulebook in which is stated level of payment in accordance with working places.
Q: How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other explain:

<p>6: Working Hours are not Excessive</p> <p><a href="#">(Click here to return to NC-table)</a></p> <p><a href="#">(Click here to return to Key Information)</a></p>
<p>ETI</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 <b>all</b> 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 freely negotiated with a workers' organisation representing a significant portion of the workforce;</li> <li>– appropriate safeguards are taken to protect the workers' health and safety; 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><b>Current Systems and Evidence Examined</b></p> <p>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.</p>
<p><b>Current systems:</b></p> <p>Company operates in two shifts, on both locations. Employees have 30 minutes break for meal and two additional breaks of 15 minutes during all shifts. The company has manual system for registration of working hours.</p> <p>Adequate evidences for four different months for compliance with working time requirements were</p>

presented.  
All of the above was confirmed by the workers during the interviews.

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

Checked: „Register of working hours“ for July 2018, August 2018, December 2018 and April 2019.

### Non-compliance:

#### 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:**

#### 2. 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)*

### Observation:

**Description of observation:**

**Local law or ETI requirement:**

**Comments:**

**Objective evidence observed:**

### Good Examples observed:

**Description of Good Example (GE):**

**Objective Evidence Observed:**



<b>Working hours' analysis</b> Please include time e.g. hour/week/month <a href="#">(Go back to Key information)</a>			
Systems & Processes			
A. What timekeeping systems are used: time card etc.	Describe: company use manual system for registration of working hours.		
B: Is sample size same as in wages section	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If N, please give details		
C: Are standard/contracted working hours defined in <b>all</b> contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Details	
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, please complete as appropriate:	
	<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs
	<input type="checkbox"/> Other		
	If "Other", Please define:		
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	If Y please %detail hours, % and types of workers & affected and frequency  Details	
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period (where the law allows)?	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:	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): 6		

Standard/Contracted Hours worked		
G: Standard working hours over 48 per week found	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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	If YES, please give details
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours:	Maximum OT hours in sampled record was 4 hours per day/8 hours per week/24 hours per month
J: Combined hours (standard/contracted plus= total) 60 found?	Maximum number of worked hours (as per analysed sample) was 48 hours per week.	
K: Approximate percentage of total workers on highest overtime hours	20 %	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	Please detail evidence e.g. Wording of contract/employment agreement/handbook/worker interviews/refusal arrangements:
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	Please give details of normal day overtime premium as a % of <b>standard</b> wages: 26
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If yes, please describe % of workers & frequency: 5%/monthly
O: ETI Code requires a prevailing standard to give greatest worker protection. If a site pays less than 125% OT premium and this is allowed under local law, are	<input type="checkbox"/> No <input checked="" type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other  Note: standard wage + 26% as premium rate for OT.	

<p>there other considerations? Please complete the boxes where relevant. Multi select is possible.</p>	
	<p>Please explain any checked boxes in N above e.g. detail of consolidated pay CBA or Other.</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. Multi select is possible.</p>	<p><input checked="" type="checkbox"/> <b>Overtime is voluntary</b></p> <p><input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week</p> <p><input type="checkbox"/> Safeguards are in place to protect worker's health and safety</p> <p><input type="checkbox"/> Site can demonstrate exceptional circumstances</p> <p><input type="checkbox"/> Other reasons (please specify)</p>
	<p>Please explain any checked boxes in R above</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</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, please describe</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 type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Note: company has enough number of workers in order to cover all planned activities.</p>

## 7: No Discrimination is Practiced

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

### 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 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:

No deviation in compensation, benefits, hiring procedure, job assignment between employees. All workers are treated equally. It was confirmed during interviews with employees.

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

Details:

Details: In each of personal dossiers exists document "Information about prohibition of discrimination" signed by employee. Company has adopted Whistle-blowing procedure and possibilities for reporting of any kind of discrimination. All eventually reports from employees are processed in accordance with existing Work instruction for processing of worker complaints.

A: Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 80 % Female: 20 %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst	# : 2
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?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> access to training <input type="checkbox"/> promotion <input type="checkbox"/> termination or retirement Note: no any evidence about discrimination.

#### Professional Development

A: What type of training and development are available for workers?	Please give details: all of employees have introduction training upon employment. All needed trainings are realized in accordance with developed procedure in frame of existing ISO 9001 certified management system. Part of this introduction training is and Ethical Code and Social policy.
---	---

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

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

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

## 8: Regular Employment Is Provided

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

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

### 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:

Employment conditions are clear defined in frame of working contract signed between each employee and the company. All the obligations to permanent employees under the Serbian labor law have been fulfilled accordingly (e.g. annual leaves, medical leaves, public holidays, working hours, insurance). All employees were reported to the labor and social insurance authorities since signing of working contract.

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

Decision on the enjoyment of the annual leave, 7.12.2018 for 2018

Offer to complete the annex of the work contract with a notice and reasons, 27.12.2018

Employment rulebook date of issue 15.05.2018.

Rulebook about organization and work places systematization dated 17.03.2016.

During audit reviewed 26 personal files. For twenty six employees checked employment contracts (e.g. employee MS, date of contract 01/03/2019.; employee TZ, date of contract 01/09/2014; employee PS dated 10/10/2015; employee PN dated of contract 20/06/2016...)

For all workers checked Confirmation of social insurance

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

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

Good Examples observed:	
<p>Description of Good Example (GE):</p>	<p><b>Objective Evidence Observed:</b></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>If any are unchecked, please describe finding and specific</p>

	category(ies) of workers affected:
C: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes Please describe details and specific category(ies) of workers affected
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
C: If any checked, give details:	

<b>Migrant Workers:</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 and where they do not intend to remain permanently or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>		
B: Type of work undertaken by migrant workers:	No migrant workers in company.	
C: Migrant worker recruitment	Total number of (in country recruitment agencies) used: n/a Total number of (outside of local country) recruitment agencies used: n/a	
D: Migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and evidence of transaction is supplied by the facility to the worker.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding:	Observations
E: Are Any migrant workers in skilled, technical, or management roles	#: <input type="checkbox"/> Yes <input type="checkbox"/> No	



<b>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</b>	If Yes number and example of roles
---	------------------------------------

## NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees	<input type="checkbox"/> Yes <input checked="" 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
C: If any checked, give details:	No non-employees workers engaged in company.

Agency Workers (if applicable) <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):	n/a (no engaged workers through employment agencies)
B: Were agency workers' age/pay/hours included within scope of this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No
D: Is there a legal contract /	<input type="checkbox"/> Yes

agreement with all agencies?	<input type="checkbox"/> No  Details
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input type="checkbox"/> Yes <input type="checkbox"/> No  Please describe:

<b>Contractors:</b> <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>	
A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: If Y, how many contractors are present
B: If <b>Yes</b> , how many workers supplied by contractors	
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: n/a
If <b>Yes</b> , please give evidence for contractor workers being paid per law:	

## 8A: Sub-Contracting and Homeworking:

## 8A: Sub-Contracting and Homeworking

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

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:

No sub-contracting nor homeworking activities used by company at the moment.

**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:

Non-compliance:	
<p><b>1. Description of non-compliance:</b></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><b>Local law and/or ETI /Additional Elements requirement:</b></p> <p><b>Recommended corrective action:</b></p> <p><b>2. Description of non-compliance:</b></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><b>Local law and/or ETI requirement:</b></p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b> (where relevant please add photo numbers)</p>

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

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

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

contracting	
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 If <b>Yes</b> , summarise details:
C: Number of sub-contractors/agents used	
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No If <b>Yes</b> , summarise details:
E: What checks are in place to ensure no child labour is being used and work is safe?	

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

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

### 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  Please describe:  Exist whistle blowing mechanism in accordance with appropriate procedure. Company has practice in regular meetings between management and worker representatives. It was confirmed during interviews with employees that they can use "open door" for direct communication with management at any time.</p>
<p>B: If <b>Yes</b>, are workers aware of these channels and have access? Please give details.</p>	<p>All stated in point A confirmed during interviews with employees.</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, regular meetings, whistle blowing mechanism, suggestion boxes-</p>
<p>D: Is there a grievance mechanism in place for:</p>	<p><input checked="" type="checkbox"/> Workers  <input type="checkbox"/> Communities  <input type="checkbox"/> Suppliers  <input type="checkbox"/> Other    Details: installed suggestion boxes.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No    If yes, please give details</p>
<p>F: Does grievance mechanism meet with UNGP requirement of e.g. (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    If no, please give details</p>

G: Does the site \ encourage its business partners (e.g., suppliers) provide individuals and communities with access to effective grievance mechanisms (e.g., help lines or whistle blowing mechanism)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If No Please give details: no implemented adequate grievance mechanism available to the external parties.
H: Is there a published and transparent disciplinary procedure	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No please explain
I: If yes, are workers aware of these the disciplinary procedure	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no please give details
J: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes please give details

#### 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:

Nothing has been identified or reported by interviewed workers as harsh or inhumane treatment. The workers didn't report any cases of harsh or inhumane treatment on behalf of the management.

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

Details:

Checked available „Eti Code of Business conduct“ translated on Serbian.  
 Checked some personal dossiers for twenty six workers „Information about prohibition of harassment“.

#### Non-compliance:

##### 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:

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

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

##### Objective evidence observed:

(where relevant please add photo numbers)

<b>Local law and/or ETI requirement:</b>  <b>Recommended corrective action:</b>	
---	--

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

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

10. Other Issue areas: 10A: Entitlement to Work and Immigration <a href="#">(Click here to return to NC-table)</a>
<b>Additional Elements</b> 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.

<b>Current Systems and Evidence Examined</b> <i>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.</i>
<b>Current systems:</b> All employees have a work contract with the organization, the work contract includes information on the employment relationship, work post title, work obligations, as well about payment, additional payments (in case of working overtime, night shift and similar).



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

Employment rulebook dated 15.05.2018.  
 Rulebook about organization and work places systematization 17.03.2016.  
 Reviewed twenty six personal folders and working contracts

**Non-compliance:**
**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:**
**Objective evidence observed:**
*(where relevant please add photo numbers)*
**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:**
**Observation:**
**Description of observation:**
**Local law or ETI/Additional Elements requirement:**
**Comments:**
**Objective evidence observed:**
**Good examples observed:**
**Description of Good Example (GE):**
**Objective Evidence Observed:**

## 10. Other issue areas 10B4: Environment 4-Pillar

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

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:

The management demonstrated very good awareness to all applicable legal requirements related to environmental protection.

No any significant negative findings from inspection of authority since starting of production activities.

Company has obtained water permit. No any discrepancies in law defined limits in order to waste water emissions nor air emissions.

In area of waste management defined two non-conformities and observations for improvement.

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

Details:

Water permit no. I-4983/3 dated 23.11.2017. from JP Srbijavode Beograd

Report about testing of potable water no. V033/19 ID 114 dated 07/02/2019 from ZJZ Sabac

Report of waste water analyses no. 251 dated 30.8.2018. from external authorized laboratory ZJZ Sabac

Contract for waste disposal 26.08.2016. signed with authorized waste operator Kemis

Contract for disposal of non-dangerous waste dated 06.11.2017. signed with JKP Standard Ljubovija

Contract for maintenance of separator dated 10.11.2017. signed with company Neimar Integra.

Nomination of person responsible for waste management dated 24/02/2019 (nominated Goran Blagojevic)

Document of waste disposal dated 06/02/2018 from waste operator Kemis (e.g. waste type: electronic waste, quantity 0,1t)

Material Safety Data Sheet from Ecolab (chemical P3 Alcodes)

#### Non-compliance:

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

- ☒ NC against ETI/Additional Elements  
☐ NC against customer code:

☐ NC against Local

Waste management is not completely conforming to legislative requirements – Plan for waste management is not implemented although company generates more than 10t of waste on yearly level./Nije izrađen Plan za upravljanje otpadom iako kompanija generiše veću količinu otpada od one za koju se zahteva postojanje ovakvog plana (preko 10t na godišnjem nivou).

##### Local law and/or ETI/Additional Elements requirement:

Law on waste management of Republic of Serbia (Official Gazette no. 36/09, 88/10, 14/16, 95/18, paragraph 26  
ETI: 10B4.1 1 (Waste management act)

##### Recommended corrective action:

Will be reviewed procedure for follow up of law regulation in field of environmental protection, affected workers will be trained for law regulation in this area, will be implemented Plan for waste management in accordance with law regulation. /Biće preispitana postojeća procedura i način praćenja zakonske regulative u oblasti zaštite životne sredine, biće ponovo organizovane obuke za osobe zadužene za usaglašenost sa regulativom, biće urađen odgovarajući Plan za upravljanje otpadom u skladu sa zakonskom regulativom iz oblasti zaštite životne sredine.

##### Objective evidence observed:

(where relevant please add photo numbers)

Checking of documents

<p><b>2. Description of non-compliance:</b></p> <p><input checked="" type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local</p> <p><input checked="" type="checkbox"/> NC against customer code:</p> <p>Some kind of waste is not adequate stored: used oil filters are stored out of designated area; no adequate records about used filters quantity on temporary storage./Neke vrste otpada (konkretno iskorišćeni uljni filteri) nisu skladištene na odgovarajući način: nalaze se van obezbeđenog skladišta opasnog otpada i ne vode se predviđene evidencije o količinama filtera na skladištu.</p> <p><b>Local law and/or ETI/Additional elements requirement:</b> Law on waste management of Republic of Serbia (Official Gazette no. 36/09, 88/10, 14/16, 95/18, paragraph 26 ETI: 10B4.1 1 (Waste management act)</p> <p><b>Recommended corrective action:</b> Will be repeated training for waste handling for designated persons; will be assured that all kind of waste will be stored on designated area, properly marked; will be assured maintenance of records of quantity for all kinds of waste (using record prescribed by law regulation DEO 1)./Biće ponovljene obuke za pravilno skladištenje otpada za sve osobe uključene u process upravljanja otpadom, biće obezbeđeno da sav otpad bude obeležen i skladišten na propisanim mestima; za sve vrste otpada će se voditi evidencije o količinama na obrascu DEO 1, kako je propisano zakonskom regulativom.</p>	<p>-Site visit</p>
--	--------------------

Observation:	
<p><b>1. Description of observation:</b> It is recommended to install receiving tanks under the package with chemicals. It is recommended to assure availability of adequate absorbents for reaction in case of leakage of chemicals. /Preporuka da se postave odgovarajuće prijemne tankvane ispod svih pakovanja tečnih i praškastih hemikalija u skladištu. Preporuka da se obezbede odgovarajući absorbent kao i posude za prihvrat kontaminiranih absorbenata na mestima gde može doći do curenja hemikalija.</p> <p><b>Local law or ETI/Additional elements requirements:</b></p> <p><b>Comments:</b> Law on waste management of Republic of Serbia (Official Gazette no. 36/09, 88/10, 14/16, 95/18, paragraph 26 ETI: 10B4.1 1 (Waste management act)</p> <p><b>2. Description of observation:</b></p> <p><b>Local law or ETI/Additional elements requirements:</b></p> <p><b>Comments:</b></p>	<p><b>Objective evidence observed:</b></p> <p>Site visit</p>

Good examples observed:	
<p>Description of Good Example (GE):</p> <p>1. Very good management of waste water./Upravljanje otpadnim vodama je na zavidnom nivou: postoji vodna dozvola, izgrađen je adekvatan sistem separatora.</p>	<p><b>Objective Evidence Observed:</b></p> <p>Site visit, documents checking</p>

Environmental Analysis (Site declaration only – this has not been verified by auditor. Please state units in all cases below.)	
A: Responsible for Environmental issues (Name and Position):	Mr. Goran Blagojević, Production and Quality Manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The organization systematically checks the impact of their activities, products and services on the environment.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please detail.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:
D: Does the site have an Environmental policy? (For guidance, please see Measurement criteria)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 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 checked="" type="checkbox"/> No Details:
F: Does the site have a Biodiversity policy? (For guidance, please see Measurement criteria)	<input type="checkbox"/> Yes <input checked="" 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 detail. (For guidance, please see Measurement criteria)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:
H: Have all legally required permits been shown? Please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: for review were available Water permit and Permit to use for both of locations, checked appropriate "Permit to use" no. 351-3/13-04 dated 14/03/2014 from Municipality of Ljubovija.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Details:
J: Is there a system for managing client's	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

requirements and legislation in the destination countries regarding environmental and chemical issues?	Details: checked List o law regulation, updated April 2019.	
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:	
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:	
M: Facility has 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	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:	
N: Facility has checked that any Sub-Contracting agencies or business partners operating on the premises have appropriate permits and licences and are conducting business in line with environmental expectations of the facility	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details:	
Usage/Discharge analysis		
Criteria	Current year: Please state period: 01.01.2019.- 30.04.2019.	Previous Year: Please state period: 01.01.2018.- 31.12.2018.
Electricity Usage: Kw/hrs	490 MW/h	2280 MWh
Renewable Energy Usage: Kw/hrs	/	/
Gas Usage: Kw/hrs	/	/
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If <b>Yes</b> , please state result		
Water Sources: Please list all sources e.g. lake, river, and local water authority.	Local water supply system	Local supply system
Water Volume Used: (m³)	650 m³	2750 m³
Water Discharged: Please list all receiving waters/recipients.	Collector for water purification	Collector for water purification
Water Volume Discharged: (m³)	650m3	2750m3
Water Volume Recycled:	0 m3	0 m3

(m³)		
Total waste Produced (please state units)	0,5 t	5 t
Total hazardous waste Produced: (please state units)	0,01 t	0,1 t
Waste to Recycling: (please state units)	0 t	0 t
Waste to Landfill: (please state units)	0 t	0 t
Waste to other: (please give details and state units)	0 t	0 t
Total Product Produced (please state units)	/	Plum 1000 t Sour cherry 1000 t Blackberry 2300 t Raspberry 2700 t

10C: Business Ethics – 4-Pillar Audit  
[\(Click here to return to NC-table\)](#)  
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:

All company policies and rulebooks communicated on appropriate way through notice boards. Exist good practice in periodically review of adequacy, suitability and continuing effectiveness of the company's policies, procedures and performance results against requirements to which the company subscribes. Also, company periodically reviewed compliance with law regulation.

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

Details:

Social Policy

Eti Base Code (Serbian version)

Master list of documents, updated December 2018

List o law regulation with table of evaluation of compliance, updated March 2019



Non-compliance:	
<p><b>1. Description of non-compliance:</b></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><b>Local law and/or ETI/Additional Elements requirement:</b></p> <p><b>Recommended corrective action:</b></p> <p><b>2. Description of non-compliance:</b></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><b>Local law and/or ETI/Additional elements requirement:</b></p> <p><b>Recommended corrective action:</b></p>	<p><b>Objective evidence observed:</b> (where relevant please add photo numbers)</p>

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

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

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	<input checked="" type="checkbox"/> Internal Policy <input type="checkbox"/> Policy for third parties including suppliers Please give details: Social Policy, Quality Policy
B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues	Part of Introduction training for every employee is business ethics.
C: Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Policy is regularly reviewed on yearly basis, in accordance with internal procedure.
D: Does the site require third parties including suppliers to complete their own business ethics training	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

**Other Findings Outside the Scope of the Code**

--

**Community Benefits**

*(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)*

--

## 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><b>NOTE:</b> 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.</p>	<p><b>Instruction to Audit Company:</b> fill in the relevant clauses from the Customer Supplier Code - where applicable.</p>
ETI Code / Additional Elements	Customer's Supplier Code equivalent
0.A. Human Rights	0.A. Human Rights
<p><b>0.A. Guidance for Observations</b></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
<p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p> <p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for</p>	

<p>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>	
<b>ETI 1. Forced Labour</b>	<b>ETI 1. Forced Labour</b>
<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>	
<b>ETI 2. Freedom of association and the right to collective bargaining are respected</b>	<b>ETI 2. Freedom of association and the right to collective bargaining are respected</b>
<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>	
<b>ETI 3. Working conditions are safe and hygienic</b>	<b>ETI 3. Working conditions are safe and hygienic</b>
<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</p>	

workers. 3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.	
<b>ETI 4. Child labour shall not be used</b>	<b>ETI 4. Child labour shall not be used</b>
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.	
<b>ETI 5. Living wages are paid</b>	<b>ETI 5. Living wages are paid</b>
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.	
<b>ETI 6. Working Hours are not excessive</b>	<b>ETI 6. Working Hours are not excessive</b>
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	

<p>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 <b>all</b> 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 freely negotiated with a workers' organisation representing a significant portion of the workforce;</li> <li>– appropriate safeguards are taken to protect the workers' health and safety; 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>	
<b>ETI 7. No discrimination is practised</b>	<b>ETI 7. No discrimination is practised</b>
<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>	
<b>ETI 8. Regular employment is provided</b>	<b>ETI 8. Regular employment is provided</b>
<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 provide regular employment, nor shall any such obligations be avoided through the excessive use</p>	

<p>of fixed-term contracts of employment.</p> <p><b>Additional Elements: Responsible Recruitment</b></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>	
8A: Sub-Contracting and Homeworking	8A: Sub-Contracting and Homeworking
<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>	
<b>ETI 9. No harsh or inhumane treatment is allowed</b>	<b>ETI 9. No harsh or inhumane treatment is allowed</b>
<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>	
10. Other Issue areas: 10A: Entitlement to Work and Immigration	
<p><b>Additional Elements</b></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>	
10. Other issue areas 10B2: Environment 2-Pillar	
10B2.1 Suppliers must comply with the requirements	



<p>of local and international laws and regulations including having necessary permits.</p> <p>10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.</p> <p><i>Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.</i></p>	
--	--

SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
<p><b>B.4. Compliance Requirements</b></p> <p>10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.</p> <p>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.</p> <p>10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements</p> <p>10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.</p> <p>10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.</p> <p>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).</p> <p>10B4.7 Businesses shall make continuous improvements in their environmental performance.</p> <p>10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation</p> <p>10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.</p> <p><b>B4. Guidance for Observations</b></p> <p>10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.</p> <p>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

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.




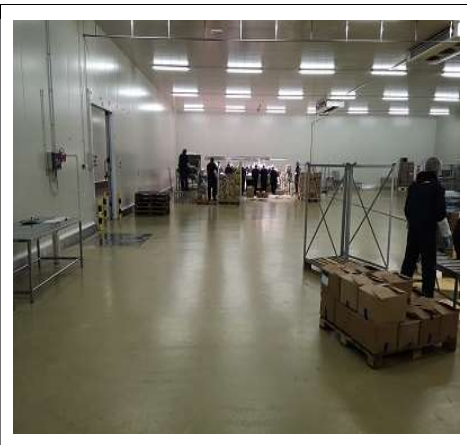





10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented.










## Photo Form

**Adding Images** To help keep the size of the Report as small as possible for ease of sending and saving the document we recommend that you use Microsoft Paint to resize your photos. To do so please follow these instructions:

- 1) To start Microsoft Paint, click 'Start', 'Programs', 'Accessories', then 'Paint'.
- 2) Open the image file you wish to edit.
- 3) Click the 'Image' Menu at the top and select "Stretch/Skew Image".
- 4) Choose a percentage figure to resize the image: to avoid distortion, choose the same percentage for horizontal and vertical stretch. Click OK.
- 5) Once you have the desired size, click File > Save As... (To prevent overwriting the original image).

Save As jpeg (this provides compression to make the file smaller).  
6) Please delete this text once complete.


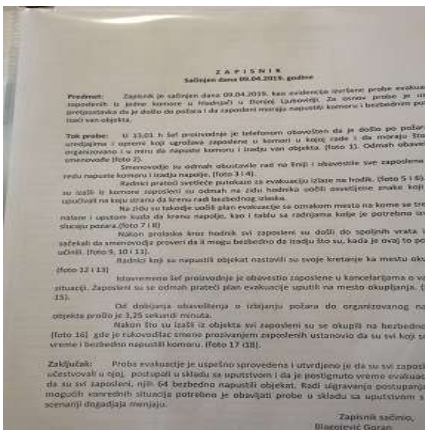
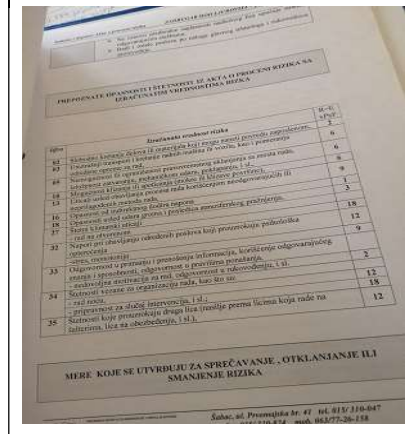
		
Company entry-cold store Donja Ljubovida	General view-Donja Ljubovida	Entry in production area
		
Production area-cold store Donja Ljubovida	Storage area – cold store Donja Ljubovida	Wardrobe
		
Toilet	Canteen	Suggestion box

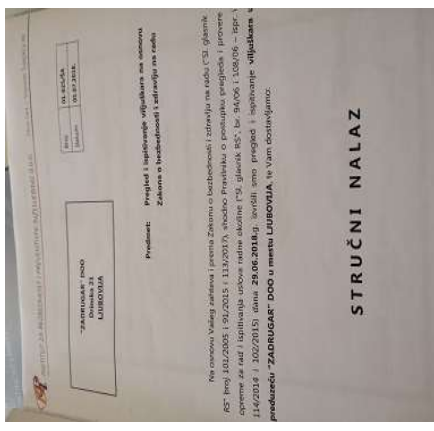
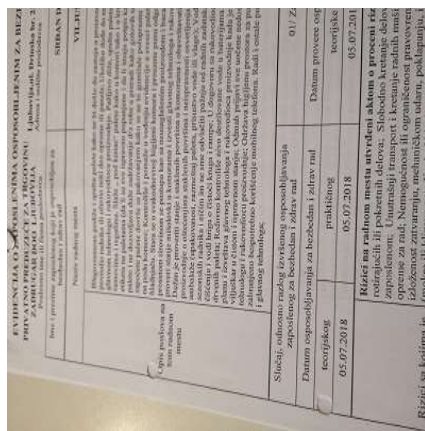
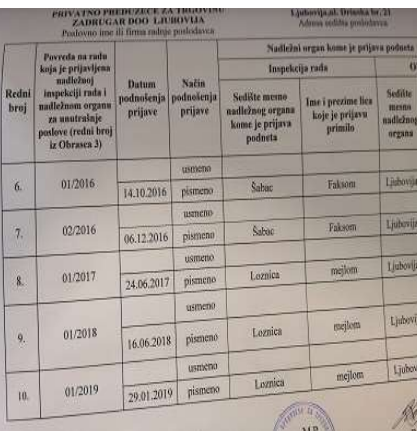
		
Communication board	Fire extinguisher	Hydrant
		
Emergency exit sign	Storage of chemicals	Assembly point
		
First aid box	Internal laboratory	Entry on location – cold store Stara Ljubovija

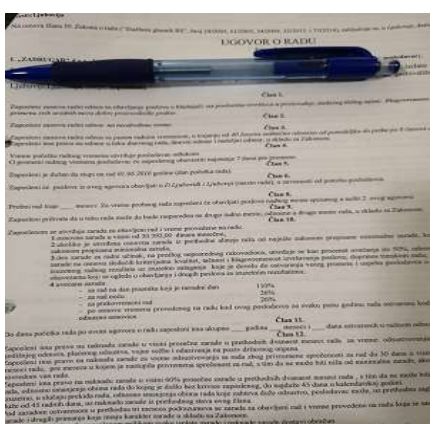
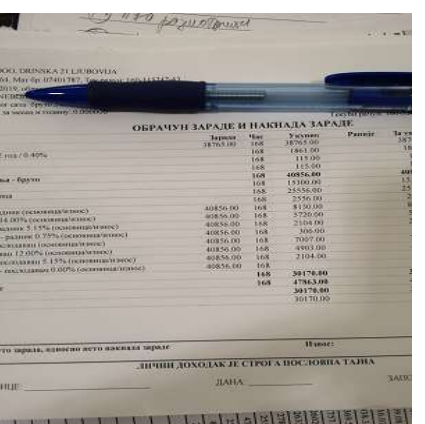



<p>Production area – cold store Stara Ljubovija</p>	<p>General view – cold store Stara Ljubovija</p>	<p>Storage of packing material</p>

<p>Eti Base Code</p>	<p>Employment rulebook</p>	<p>Water permit</p>
<p>Eti Base Code</p>	<p>Employment rulebook</p>	<p>Water permit</p>

 <p>Report of fire fighting equipment control</p>	 <p>Evacuation drill-report</p>	 <p>Risk assessment</p>
--	---	--

 <p>Report of production equipment control</p>	 <p>Individual health and safety training</p>	 <p>Register of accidents</p>
--	--	---

 <p>Employment contract</p>	 <p>Individual pay slip</p>	 <p>Register of working hours</p>
--	---	--





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=riPsbE0PQ52ehCo3lnq5lw_3d_3d)**

[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw\\_3d\\_3d](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_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)