



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC1070079	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS408872732
Business name (Company name):	PAGANI PENS SA		
Site name:	Pagani Pens SA		
Site address:	Via Ponteggia 19 Cadempino 6814 CH	Country:	CH
Site contact and job title:	Fausto Conti / Regulatory Affairs Manager		
Site phone:	+41 91 935 55 55	Site e-mail:	fausto.conti@premec.ch
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	2024-01-22		

Audit Company Name:
Intertek Italy

Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

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

(2) The audit scope was against the following reference documents

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - Universal rights covering UNGP
 - Management systems and code implementation,
 - Responsible Recruitment
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,

4-Pillar SMETA

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics
- The Customer's Supplier Code (Appendix 1)

(3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.

(4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

SMETA Declaration

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

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

Auditor Team			
Lead Auditor:	Eugenio Peluso	APSCA Number:	21701574
Additional Auditors:	Simone Trallori		21701498
	Marco Bechis		32200552
Date of declaration:	2024-01-22		

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.

Site Representation	
Full Name:	Fausto Conti
Title:	Regulatory Affairs Manager
Date of declaration:	2024-01-22
Comments:	<p><i>Any exceptions to this must be recorded here (e.g. different sample size):</i> <i>Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020).</i> <i>The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i></p>
	None

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i>	Area of Non-Conformity		Number of issues			Findings
	ETI	Local Law	NC	Obs	GE	
0A - Universal rights covering UNGP			0	0	0	
0B - Management systems and code implementation			0	0	0	
1 - Freely chosen employment			0	0	0	
2 - Freedom of association and right to collective bargaining are respected			0	0	0	
3 - Working conditions are safe and hygienic			0	0	1	GE - a999dcdd-284b-40c0-9e77-c425b0a28c64
4 - Child labour shall not be used			0	0	0	
5 - Living wages are paid			0	0	1	GE - 522f0654-4321-44d0-abe8-8b37fd261959
6 - Working hours are not excessive			0	0	0	
7 - No discrimination is practiced			0	0	0	
8 - Regular employment is provided			0	0	0	
8A - Subcontracting and homeworking			0	0	0	
9 - No harsh or inhumane treatment is allowed			0	0	0	
10A - Entitlement to work and immigration			0	0	0	
10B2 - Environment 2-pillar			0	0	0	
10B4 - Environment 4-pillar			0	0	1	GE - 9f08329c-298f-4ca3-ab60-ae00c4b78bab
10C - Business ethics 4-pillar			0	0	0	

Site Details

Site Details			
Company Name	PAGANI PENS SA		
Site Name	Pagani Pens SA		
GPS location (if available)	GPS Address:	N/A	
	Coordinates:	46° 3' 12" N - 8° 55' 47 E	
Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	CHE-102.887.450 issued by Commercial Register of Cantone Ticino on 16.06.1975 VAT CH-514.3.001.3219 Last updating dated 19.07.2023. No expiring date for VAT Number and CF in Swiss		
Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacturing of promotional pens		
Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	The factory located in Lamone occupies 2 buildings for a total land area of 8835 sqm, total walkable area 8363 sqm (SUL). The facility has operated in this existing location since 2004 and is it in reinforced concrete		
Structure and number of buildings	Building Name:		A
	Floor	Description	Remark
	Ground	Assembling, packaging and warehouse, changing rooms	N/A
	1st	Pad printing e Silk-screen printing	N/A
	2nd	Offices, canteen	N/A
	Building Name:		B
	Floor	Description	Remark
	Ground	Assembling	N/A
	1st	Assembling, mechanical workshop	N/A
	Visible structural integrity issues (large cracks) observed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: None observed	
Does the site have a structural engineer evaluation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Engineering evaluation as per local law		

Site function	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Homeworker <input type="checkbox"/> Pack house <input type="checkbox"/> Service Provider	<input type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Grower <input type="checkbox"/> Labour Provider <input type="checkbox"/> Primary Producer <input type="checkbox"/> Sub-contractor
Months of peak season		
Process overview	Production process: Assembling and printing. Main equipment: 32 assembling machines for pens - 10 silk-screen printing machines - 29 pad printing machines - 1 washing machine	
What form of worker representation is there on site?	<input type="checkbox"/> Union <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Please give details:	1 workers representative	
Is there any night production work at the site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Are there any on site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:	
Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:	
Were all site provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A	

Audit Parameters

Time in and time out	Day 1	
	In	09:00
	Out	17:00
Audit type:	PERIODIC	
Was the audit announced?	ANNOUNCED	
Was the Sedex SAQ available for review?	Yes	
Any conflicting information SAQ/Pre-Audit Info to Audit findings?	No	
Who signed and agreed CAPR	Fausto Conti / Regulatory Affairs Manager	
Is further information available	No	

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	Yes	Yes	No
B: Present at the audit?	Yes	Yes	No
C: Present at the closing meeting?	Yes	Yes	No
<i>Reason for absence at the opening meeting</i>	No Union Representatives at this site		
<i>Reason for absence during the audit</i>	No Union Representatives at this site		
<i>Reason for absence at the closing meeting</i>	No Union Representatives at this site		

Worker Analysis

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

Worker Analysis								
	Local			Migrant*			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers - male	9	0	0	60	0	0	0	69
Worker numbers - female	8	0	0	69	0	0	0	77
Total	17	0	0	129	0	0	0	146
Number of Workers interviewed - male	3	0	0	7	0	0	0	10
Number of Workers interviewed - female	3	0	0	13	0	0	0	16
Total - interviewed sample size	6	0	0	20	0	0	0	26

Nationalities Structure										
Nationality of Management	Italian									
Please list the nationalities of all workers, with the three most common nationalities listed first.	<table border="0"> <tr> <td>Nationality 1: Italian</td> <td>approx %:</td> <td>84%</td> </tr> <tr> <td>Nationality 2: Swiss</td> <td>approx %:</td> <td>11%</td> </tr> <tr> <td>Nationality 3: German</td> <td>approx %:</td> <td>0.7%</td> </tr> </table>	Nationality 1: Italian	approx %:	84%	Nationality 2: Swiss	approx %:	11%	Nationality 3: German	approx %:	0.7%
Nationality 1: Italian	approx %:	84%								
Nationality 2: Swiss	approx %:	11%								
Nationality 3: German	approx %:	0.7%								
Was this list completed during peak season?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No peak periods									
Worker remuneration	Workers on piece rate:	0%								
	Paid hourly:	0%								
	Salaried:	100%								
Payment cycle	Paid daily:	0%								
	Paid weekly:	0%								
	Paid monthly:	100%								
	Other:	0%								
	Details for other:	N/A								

Worker Interview Summary	
Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Number of group interviews:	4 groups of 5
Number of individual interviews:	Male: 3 Female: 3
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.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
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
In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
What was the most common worker complaint?	None
What did the workers like the most about working at this site?	Working environment
Any additional comment(s) regarding interviews:	None
Attitude of workers to hours worked:	Overtime is voluntary
Is there any worker survey information available?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

Attitude of workers:

26 workers were interviewed in a private office. All interviewed employees declared to be satisfied to work with the company and to be treated fairly and with respect. All employees have an individual labour contract in place. The hiring contract displays all hiring terms: working rights, hours and rules, compensation, length of the contract, overtime compensations.

Attitude of worker's committee/union reps:

The Worker Representative confirmed the excellent relationship between workers and management. No concern emerged.

Attitude of managers:

The management was receptive during the whole audit process. All the required documentation was available for review. The facility walkthrough was performed with no restriction as well as employees' interviews.

0A - Universal Rights covering UNGP
[Summary of Findings]

0A: Compliance Requirements

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.
 0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights
 0.A.3 Businesses shall identify their stakeholders and salient issues.
 0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.
 0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.
 0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter. Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

Current Systems and Evidence Examined

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

Current Systems:

Company has a formal policy that covers human rights (Code of Conduct) and it is available on the Company's website. A specific responsible person has been designated. Company asks its business partners to be compliant on this Code.

Evidence examined:

Code of Conduct – Swiss Code of Obligations

Any other comments:

None

Policy statement that expresses commitment to respect human rights?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Included in social policy
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Included in manuals
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: Fausto Conti
Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Open door policy and Workers representative

Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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: Based on local laws
Measuring Workplace Impact	
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 10.0% This year 7.3%
Current % quarterly (90 days) turnover(Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	1.22%
Annual % absenteeism(Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year)	Last year 4.46% This year 4.75%
Quarterly (90 days) % absenteeism(Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2] * Number of available workdays in the month)	4.98%
Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Injury Report
Annual Number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	Last year 1.37% This year 0.68%
Quarterly (90 days) number of work related accidents and injuries per 100 workers((Number of work related accidents and injuries * 100) / Number of total workers)	0.0%
Lost day work cases per 100 workers([(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers)	Last year 0.045% This year 0.013%

% of workers that work on average more than 48 standard hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%
% of workers that work on average more than 60 total hours / week in the last 6 / 12 months	6 month	0.0%
	12 month	0.0%

0B - Management Systems and code Implementation
[Summary of Findings]

0B: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

The facility appeared to have means to deliver compliance with the Code. The facility management is committed to comply with the code implementation and followed local swiss aw.
 Facility designated a senior management representative named Mr. Fausto Conti – Regulatory Affairs Manager to taking care of the issue identified against the code of conduct. They implement a system to communicate this code to all the existing employees and provided training and awareness and also to the supplier.
 For new employees an induction training is given with regard to health & safety aspects, conditions of employment including wage, rights and ethical principles of the factory.

Evidence examined:

Company reference on SEDEX system - Code of conduct from Swiss normal contract of employment – Internal Code of Conduct

Any other comments:

None

Management Systems

In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Based on management interviews
Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: In compliance with company Social Policy and local law
If Yes, is there evidence (an indication) of effective implementation? Please give details.	Facility tour -workers interviews – workers file
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 give details: The facility has formalized training in the standards for forced labour -child labour-discrimination, harassment and abuse

<p>If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Training records</p>
<p>Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The site is in the process of obtaining ISO 9001, ISO 45001 and ISO 14001 certifications</p>
<p>Is there a Human Resources manager/department?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Carla Traficante/HR Mng</p>
<p>Is there a senior person /manager responsible for implementation of the code?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr. Fausto Conti – Regulatory Affairs Manager</p>
<p>Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Present in the code</p>
<p>Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Local law regulates confidentiality of information; HR manager ensures implementation of the system: only authorized personnel have access to workers information</p>
<p>Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Based on periodical management meetings</p>
<p>Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: policy and procedure effectiveness is evaluate regularly by cantonal (local)authority</p>
<p>Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Procedure for suppliers in QMS.</p>
Land Rights	
<p>Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All licenses and permissions available.</p>
<p>Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site relies on external consultants</p>

<p>Does the site have a written policy and procedures specific to land rights?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: N/A</p>
<p>Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Land owned by the facility</p>
<p>Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: N/A</p>
<p>Is there any evidence of illegal appropriation of land for facility building or expansion of footprint?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No evidence found</p>

1 - Freely chosen Employment
[Summary of Findings]

1: Compliance Requirements

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:

During facility tour was not found evidence of forced, bonded or involuntary prison labour. Workers are free to leave their employer after a notice. There is no evidence of retention of wage and /or deposit or original identity documents. Workers are free to leave factory at the end of working day

Evidence examined:

Facility tour- workers interview-Documents review- workers personnel files

Any other comments:

None

Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Confirmed during interviews
If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: N/A
Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Confirmed during interviews
Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: Based on management interviews

Is the site taking any steps taking to reduce the risk of forced / trafficked labour?

Yes No

Please give details:

Based on workers interview and document review there is no evidence of forced and /or trafficked labour

2 - Freedom of Association and Right to Collective Bargaining are Respected
[Summary of Findings]

2: Compliance Requirements

- 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:

According to the Swiss law, there are no workers representatives for unions. However, based on workers interview, they are free to join a union (40 workers are member of a Union). There is a worker's committee and one workers representative.
Work force is hired according to labour contracts that contains all relevant information about wage-standard working time- job description

Evidence examined:

Labour contracts, committee meeting records.

Any other comments:

None

What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox)	<input type="checkbox"/> Union <input type="checkbox"/> Other <input checked="" type="checkbox"/> Worker Committee <input type="checkbox"/> None
Other details:	Workers representative
Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Worker committee
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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 Please give details: Meeting rooms
Name of union and union representative, if applicable:	N/A
Is there evidence of free elections?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable

If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Worker committee
Is there evidence of free elections?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Confirmed by interviews
Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of last election:	2020-03-09
Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were worker representatives/union representatives interviewed?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please state how many:	1.0
Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Last meeting on H&S on 24/05/2023
Are any workers covered by Collective Bargaining Agreement (CBA)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

3 - Working Conditions are Safe and Hygienic
[Summary of Findings]

3: Compliance Requirements

- 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:

The facility work floors areas were found well lit, clean and properly ventilated. Aisles are clear and free of obstructions.

1) General H&S Management:

The company has provided the last risk assessment document ref. Model solution for safety

- Safety Assessment report on 2023
- Emergency plan on 2020
- Last SUVA report on safety compliance of the 2023 for risk sssessment
- Suva, the Swiss National Accident Insurance Fund, is an important part of Switzerland's safety system. As an independent company under public law, Suva insures people at work and at leisure.

Employer Mr. Rossana Porotti

Health & Safety and Environmental Manager Ing. Giorgio Fontana appointed on 01.2015

Company Doctor available even though not required by local law

There is a worker committee.

2) Emergency preparedness, fire safety and medical services:

The emergency exits are accessible, unlocked and all the facility is equipped with emergency lights.

- There is a sufficient number of fire extinguishers, fire hoses and hydrant distributed throughout the facility areas, the facility respect the requirement of federal law.
- Fire equipment has been found marked (last check on 07.2023).
- Fire alarm system present.
- Smoke detection system present.
- Emergency plans are posted throughout the facility.
- Emergency team is composed by firefighting responsible and first aiders (GIS group): 9 workers

- First aid kits are available in all facility areas and they are properly stocked, present also 1 AED,
- H&S training have been carried out for the entire sample.
- PPE's are freely accessible to all the employees and properly worn.
- Fire and Evacuation drill carried out on 22.12.2023
- Inside the facility there are clean toilets and restrooms freely accessible to all workers.
- Drinkable water was available in the facility.

3) Machine safety

All production equipment appeared in good maintenance conditions, compliant with European health and safety regulation.

Evidence examined:

Building certificate, Risk, noise, vibration, pregnant and job stress related risk assessment document and corrective action plan, Emergency plan and procedure, Local authorities and fire brigade inspection records, PPE issue list, Injury log, Machinery maintenance records, Firefighting equipment maintenance records, Fire drills reports, H&S committee meeting records, Employees training records, Factory H&S representative (designation and training records, Workers representative designation and training records, Firefighting team designation and training records, First aid team designation and training records, Workers' insurance payment records, Electric equipment/panels maintenance records, Contract with labour doctor and periodic medical check records.

Any other comments:

None

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Included in risk assessments
Are the policies included in workers' manuals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Included in workers' manuals
Are there any structural additions without required permits/inspections (e.g. floors added)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No additions without permits
Are visitors to the site informed on H&S and provided with personal protective equipment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Emergency procedures and PPEs provided to each visitor.
Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate))	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Medical room available
Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: A doctor has been appointed to take employees under medical surveillance
Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Transport not provided
Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Although there is no dormitory cabinets are available for workers personal belongings storage

<p>Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The company has provided the last risk assessment document ref. Model solution for safety.</p>
<p>Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: The factory management maintained all legally required environmental in place which proved that the production waste of the factory was in compliance with the related environmental regulations</p>
<p>Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Specific requirements detailed in the contract with customer and facility</p>

Good Example		Evidence
[Back to findings summary]		
Good Example		
Status	OPEN	
Reference	a999dcdd-284b-40c0-9e77-c425b0a28c64	
Clause	3 - Working Conditions are Safe and Hygienic	
Issue Title	293 - Excellent first aid facilities	
Subcategory	First Aid / Accidents	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Explanation to the good example	During site tour and management interview it was noted that the company has an infirmary and also In the infirmary and at the disposal of trained workers there is a DAE.	
Evidence	Site tour and interviews	

4 - Child Labour Shall Not Be Used
[Summary of Findings]

4: Compliance Requirements

- 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:

Each person, before being hired, has to demonstrate his age by identity cards or other official document. The data are sent to Local Labour Office in order to be checked before the worker is hired. Through documents review and workers interview, it was stated that no person under 23 years old has been employed at the factory.

Evidence examined:

Personnel files – Contracts – CBA – Employees book

Any other comments:

None

Legal age of employment:	15
Age of youngest worker found:	23
Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Percentage of under 18's at this site (of total workers)	0.0%
Are workers under 18 subject to hazardous work assignments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A

5 - Living Wages are Paid
[Summary of Findings]

5: Compliance Requirements

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 payrolls are checked against working hours. Employees have the possibility to check the hours recorded by timecard and to ask for clarification if needed; they receive copy of pay slip every month. All workers receive a pay slip where they check if all worked hours are legally paid.
26 payrolls and pay slips were reviewed from December 2023 (Current), July 2023 (Random), March 2023 (Random).
Employees interviews confirm that the wages are paid regularly and in time every month with bank transfer.

Evidence examined:

Personnel contracts – Pay slips – Insurance and social security contribution records – Working hours log

Any other comments:

None

Summary Information

Criteria	Local Law	Actual at the Site	Is this part of a Collective Bargaining Agreement?
Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)	Legal Maximum Per Day: 9.0 Per Week: 45.0 Per Month: null	Actual Per Day: 8.5 Per Week: 40.0 Per Month: 187.0	NO
Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month)	Legal Maximum Per Day: 2.0 Per Week: null Per Month: null	Actual Per Day: 2.0 Per Week: 6.0 Per Month: 29.0	NO
Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: null Per Week: null Per Month: 3200.0	Actual Per Day: 160.0 Per Week: 800.0 Per Month: 3200.0	NO
Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)	Legal Maximum Per Day: 125.0 Per Week: 125.0 Per Month: 125.0	Actual Per Day: 125.0 Per Week: 125.0 Per Month: 125.0	NO

Wages Analysis:	
Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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)	26 from December 2023 (Current), July 2023 (Random), March 2023 (Random).
Are there different legal minimum wage grades? If Yes, please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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"/> Not Applicable Please give details:
For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input checked="" type="checkbox"/> Above
Lowest actual wages found: Note: full time employees and please state hour / week / month etc.	3200 FR
Please indicate the breakdown of workforce per earnings	0.0% of workforce earning under minimum wage 30.0% of workforce earning minimum wage 70.0% of workforce earning above minimum wage
Bonus Scheme found: Please specify details:	Bonus Scheme found:N/A Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc.
What deductions are required by law e.g. social insurance? Please state all types:	national taxes local taxes pension fund
Have these deductions been made?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Please list all deductions that have been made.	national taxes local taxes pension fund
Please list all deductions that have not been made.	N/A
Were appropriate records available to verify hours of work and wages?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Were any inconsistencies found? (if yes describe nature)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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 Please give details: All time worked was recorded on the payslips and payroll
Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:

<p>If yes, what was the calculation method used.</p>	<p> <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 <input type="checkbox"/> Other – please give details: </p>
<p>Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: On the base of performance or promotions. </p>
<p>Are workers paid in a timely manner in line with local law?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Is there evidence that equal rates are being paid for equal work:</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Through factory rules review, payroll records review and employees' interview, it is confirmed that equal rates paid for equal work. </p>
<p>How are workers paid:</p>	<p> <input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other </p>

Good Example		Evidence
[Back to findings summary]		
Good Example		
Status	OPEN	
Reference	522f0654-4321-44d0-abe8-8b37fd261959	
Clause	5 - Living Wages are Paid	
Issue Title	429 - Company provides a range of additional benefits, including: free medical care on-site, holiday and other bonuses, free library, food subsidy, free transport	
Subcategory	Benefits & Insurance	
New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	
Explanation to the good example	The Company has a supplementary agreement that provides benefits for the employees such as paid the 15% of the public transportation seasonal tickets (ARCOBALENO AZIENDALE)	
Evidence	Interviews and document review	

6 - Working Hours are not Excessive
[Summary of Findings]

6: Compliance Requirements

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

The company hires all the workforce in compliance in the Swiss Code of Obligations and Company Regulation, which contains all the information regarding working hours and overtime.
The worked hours are recorded by swipe card machine in every site.
The CEO is in charge of monitoring that working hours do not exceed the legal amount. Overtime is always voluntary, as confirmed by all interviewed workers
All employees have at least 2 days off in 7.

Evidence examined:

Working hours log – Pay slips – Personnel contracts – Company Regulation

Any other comments:

None

Working hours' analysis

Systems & Processes

What timekeeping systems are used?	Electronic badge
Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Are standard/contracted working hours defined in all contracts/employment agreements? (If no, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there any other types of contracts/employment agreements used?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<p>If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant.</p>	<input type="checkbox"/> No <input checked="" type="checkbox"/> Other	<input type="checkbox"/> Consolidated pay	<input type="checkbox"/> Collective Bargaining agreements
<p>Please give details</p>	<p>N/A</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. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other)</p>	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Site can demonstrate exceptional circumstances	<input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input checked="" type="checkbox"/> Other reasons (please specify)	<input type="checkbox"/> Safeguards are in place to protect worker's health and safety
<p>Please give details</p>	<p>N/A</p>		
<p>Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other</p>	<p>N/A</p>		
<p>Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
<p>If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

7 - No Discrimination is Practiced
[Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

No discrimination practice noticed on workers' interviews and documents review. There was 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. The entire employees are treated in the same way. There are 3 disabled workers hired.

Evidence examined:

CBA with non-discrimination and equal opportunities policies, labour contracts, factory job application form and recruitment policy, training records, time cards, payrolls, dismissal records, notice board.

Any other comments:

None

Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 50.0%	Female: 50.0%
Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst)	25% of total	
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"/> Promotion	<input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement
		<input type="checkbox"/> Access to training <input checked="" type="checkbox"/> No evidence of discrimination found
Please give details	None observed	
Professional Development		
What type of training and development are available for workers?	Technical training (ex: forklift use); Code of Ethic training and HSE training when they are hired or moved to a different plant.	
Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

8 - Regular Employment Is Provided
[Summary of Findings]

8: Compliance Requirements

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:

Employees are hired directly by the Company. No third-party agency are used. Labour contracts are available and correctly archived for every employee. Contracts are dated and signed. Labour contracts define total working hours, OT hours, wages, days off, permits. Employees' interviews confirm that employees can ask any type of clarification regarding their contract to the HR dept.

Evidence examined:

Labour contracts – Employees' interviews

Any other comments:

None

Responsible Recruitment

All Workers

Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?

- | | |
|--|---|
| <input checked="" type="checkbox"/> Terms & Conditions presented | <input checked="" type="checkbox"/> Understood by workers |
| <input checked="" type="checkbox"/> Same as actual conditions | |

Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement? (If yes, please describe details and specific category(ies) of workers affected)

- Yes No

Migrant Workers

Type of work undertaken by migrant workers:

No difference between type of work undertaken by migrant or local workers

Please give details about recruitment agencies for migrant workers:	Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0
Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No voluntary deductions
Is there any observation on this finding?	N/A
Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Supervisors, HSE Manager, HR Manager.
Non-employee workers	
Recruitment Fees	
Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Agency Workers (if applicable) (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.)	
Number of agencies used (average):	0
Please provide the names of agencies if applicable	N/A
Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there a legal contract agreement with all agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Contractors (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.)	
Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: None
Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A

8A - Sub-Contracting and Homeworking
[Summary of Findings]

8A: Compliance Requirements

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

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

Current Systems and Evidence Examined

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

Current Systems:

The company does not use subcontractors nor home workers

Evidence examined:

Production records

Any other comments:

None

Summary of sub-contracting – if applicable

Is there any sub-contracting at this site? Yes No

Summary of homeworking – if applicable

Is homeworking used at this site? Yes No

9 - No Harsh or Inhumane Treatment is Allowed
[Summary of Findings]

9: Compliance Requirements

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.

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

No physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse found during factory tour and workers' interviews. According to workers' interviews, the factory treated every worker with respect. Interviewed employees confirmed that there is no harsh or inhumane treatment; they are treated fairly and with respect.

Evidence examined:

Sector labour contract with disciplinary provisioning, grievance and appeal procedures, labour contracts, notice board, disciplinary records, and payrolls.

Any other comments:

None

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Suggestion box and workers representative
If yes, are workers aware of these channels and have access? Please give details.	Confirmed by interviews
If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box and workers representative
Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Worker <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other
Please provide grievance mechanism details	Workers
Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:
Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:

If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details:
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 Please give details:

10A - Entitlement to Work and Immigration
[Summary of Findings]

10A: Compliance Requirements

10.A.1 Only workers with a legal right to work shall be employed or used by the supplier.
10.A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined

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

Current Systems:

Each foreign person (extra UE), before being hired, has to demonstrate her/his entitlement to work. The data are sent to Local Labor Office in order to be checked before the worker is hired.

Evidence examined:

CBA – Personnel files – Pay slips – Personnel contracts – Tax, social security system and insurance payments records

Any other comments:

None

10B4 - Environment 4–Pillar
[Summary of Findings]

10B4: Compliance Requirements
 10.B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.
 10.B4.2 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.
 10.B4.3 Businesses shall be aware of their end client’s environmental standards/code requirements
 10.B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.
 10.B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.
 10.B4.6 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).
 10.B4.7 Businesses shall make continuous improvements in their environmental performance.
 10.B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation
 10.B4.9 Businesses should have a nominated individual responsible for co-ordinating the site’s efforts to improve environmental performance.
 10B4: Guidance for Observations
 10.B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.
 10.B4.11 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 factory management maintained all legally required environmental in place which proved that the production waste of the factory was in compliance with the related environmental regulations. The Company is constantly monitoring its environmental impact as per Environment Federal Law requirements. Air emission are analysed as per Federal Law. Production wastes are collected as per Federal regulations (paper & cardboard, plastics, printer toners, damaged pallets wood, etc.). Hazardous waste are disposed of by specialised Company. DATA AMALISYS REFERS TO 2022 - 2023

Evidence examined:

Environmental inspection records – Periodical environmental analysis reports – waste management

Any other comments:

None

Environmental Analysis

Is there a manager responsible for Environmental issues (Name and Position):

Mr. Giorgio Fontana – HSE Manager

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 Please give details: Evaluation verified by Public body
Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The site is in the process of obtaining the ISO 14001 certification
Does the site have an Environmental policy?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, is it publicly available?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All key impacts are addressed
Does the site have a Biodiversity policy?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: N/A
Have all legally required permits been shown?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Based on the verification records provide, the facility respect Environmental Federal Law dated 07.10.1983.
Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: Chemical Risk Analysis and procedure Federal law in place
Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Internal Environmental Policies and internal rules - Mr Fausto Conti – Regulatory Affairs Manager
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 Please give details: Strategic Corporate to redefine the sustainable profile for the facility including process, product and energy in line with Federal program for reduction of CO2
Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has all the report for monitoring the waste

Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Energy consumptions regularly monitored.	
Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No subcontractors	
Usage/Discharge analysis		
Criteria	Previous year: 2023	Current year: 2024
Electricity Usage: Kw/hrs	1170653	1028060
Renewable Energy Usage: Kw/hrs	1170653	1028060
Gas Energy Usage: Kw/hrs	7450	6854
Has site completed any carbon Footprint Analysis?	Yes	Yes
If Yes, please state result	31,45 tCO2	28,7 tCO2
Water Sources	Local water authority	Local water authority
Water Volume Used	682	2495
Water Discharged	Public sewer	Public sewer
Water Volume Discharged	614	2245
Water Volume Recycled	0	0
Total waste produced	9100 Kg	8800 Kg
Total hazardous waste produced	7800 Kg	7600 Kg
Waste to recycling	1300 Kg	1200 Kg
Waste to landfill	0	0
Waste to other	0	0
Total Product Produced	38000000 Pcs	38000000 pcs

Good Example		Evidence																		
<p>[Back to findings summary]</p> <table border="1"> <thead> <tr> <th colspan="2">Good Example</th> </tr> </thead> <tbody> <tr> <td>Status</td> <td>OPEN</td> </tr> <tr> <td>Reference</td> <td>9f08329c-298f-4ca3-ab60-ae00c4b78bab</td> </tr> <tr> <td>Clause</td> <td>10B4 - Environment 4-Pillar</td> </tr> <tr> <td>Issue Title</td> <td>645 - The site has achieved carbon neutrality (zero net anthropogenic CO2 emissions)</td> </tr> <tr> <td>Subcategory</td> <td>Air emissions & GHG (Green House Gas)</td> </tr> <tr> <td>New or carried over?</td> <td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td> </tr> <tr> <td>Explanation to the good example</td> <td>During management interview and document review it was noted that facility has the specific and voluntary plan to reduce the CO2 and improvement of sustainability</td> </tr> <tr> <td>Evidence</td> <td>Document review</td> </tr> </tbody> </table>		Good Example		Status	OPEN	Reference	9f08329c-298f-4ca3-ab60-ae00c4b78bab	Clause	10B4 - Environment 4-Pillar	Issue Title	645 - The site has achieved carbon neutrality (zero net anthropogenic CO2 emissions)	Subcategory	Air emissions & GHG (Green House Gas)	New or carried over?	<input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over	Explanation to the good example	During management interview and document review it was noted that facility has the specific and voluntary plan to reduce the CO2 and improvement of sustainability	Evidence	Document review	
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10C - Business Ethics – 4-Pillar Audit
[Summary of Findings]

10C: Compliance Requirements

- 10.C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.
- 10.C.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.
- 10.C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.
- 10.C.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.
- 10.C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,
- 10.C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics
- 10.C.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
- 10.C.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.
- 10.C.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:

Company has a written Code of Conduct, available on the website and on the notice board at the sites. Code covers these areas: Labour and human rights, with specific declaration regarding child labour, discrimination and minimum wages, working hours; Environmental safety and production processes; Health and safety; Ethical conduct with specific declaration regarding corruption and conflict of interest. Code of Conduct strictly obligates all Company's Partners to observe and comply with all the fundamental principles expressed.

Evidence examined:

Code of Conduct

Any other comments:

None

Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?

- Internal Policy
- Policy for third parties including suppliers

Please give details:

Factory has a Business Ethics policy concerning bribery, corruption, or unethical Business Practice that has been communicated to all relevant parties through meeting and formal communication

<p>Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: To all employees and management</p>
<p>Is the policy updated on a regular (as needed) basis?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Factory has a Business Ethics policy concerning bribery, corruption, or unethical Business Practice that has been communicated to all relevant parties through meeting and formal communication</p>
<p>Does the site require third parties including suppliers to complete their own business ethics training</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Factory has a Business Ethics policy concerning bribery, corruption, or unethical Business Practice that has been communicated to all relevant parties through meeting and formal communication</p>

Attachments



Signed CAPR.pdf



Notice board - attendance system.JPG



Emergency exit - Fire fighting equipment - Fire alarm system.JPG



Changing room..JPG



Suggestion box.JPG



Smoke detector.JPG



Infirmary.JPG



Defibrillator.JPG



Toilet facility.JPG



Chemical products storage.JPG



Evacuation plot plan..JPG



Refectory.JPG



Evacuation plot plan.JPG



Fire alarm system.JPG



Evacuation plot plan posted.JPG



Eye wash kit.JPG



Factory exterior..JPG



Attendance system.JPG



Canteen.JPG



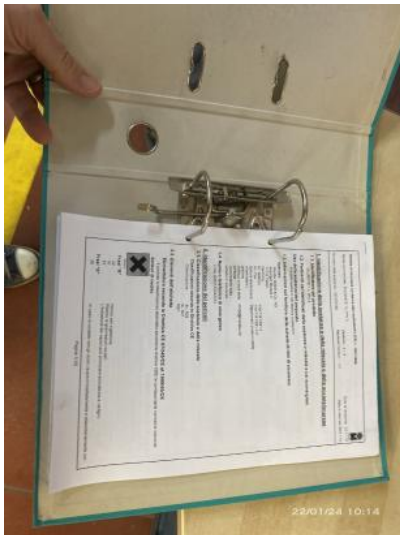
Chemical products storage (external)..JPG



Changing room.JPG



Factory exterior.JPG



MSDS.JPG



Toilet facility..JPG



Fire extinguisher.JPG



Break area.JPG



Emergency exit - Fire extinguisher - Fire alarm system.JPG



Emergency exit - Emergency light.JPG



Fire extinguisher..JPG



Meeting point for emergency.JPG



Chemical products storage..JPG



Separate waste collection area.JPG



PPE - mask.JPG



PPE - safety shoes.JPG



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

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