



# Social Audit Report

**January 2009**

BSCI 7-01/09

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FTA – Foreign Trade Association, Brussels – gsm Global Sustainable Management GmbH, Cologne – Migros-Genossenschafts-Bund, Zürich – Sustain Consulting GmbH, Hamburg

# Social Audit Report

<b>Factory Name:</b>	Sirogojno Company		
<b>Factory Address:</b>	Sirogojno 31207, Serbia		
<b>Management Representative:</b>	Mrs. Snezana Dmitrovic		
Audit Results for BSCI Social Requirements Part B:	Good <sup>1</sup> <input checked="" type="checkbox"/>	Improvement Needed <input type="checkbox"/>	Non-compliant <input type="checkbox"/>
Audit Results for Best Practice for Industry Part C:	Good <input type="checkbox"/>	Improvement Needed <input checked="" type="checkbox"/>	
Audit initiated by:	BSCI Member : <input type="checkbox"/>	Supplier: <input checked="" type="checkbox"/>	
Auditing Company Name:	SGS Bulgaria Ltd.		
Audit report number:			
DBID number:	24845		
Lead Auditor's name and SAAS certificate number:	Nikolay Rulev, SA A0425		
Auditing Company Address:	25A, Tzar Osvoboditel Blvd, 1504 Sofia, Bulgaria		
Audit Date:	17.05.2011		
Date of the new BSCI to be started: (3 years from the initial audit)	17.05.2013		
Number of Initial audits performed at this facility (Cycle number 1, 2, 3..):	1		
Agreed date for closing the CAP (if applicable):	N/A		
Date, Signature & Stamp:	17.05.2011		

<sup>1</sup> Due to the sampling nature of the auditing exercise, absence of findings during an assessment does not assure the full compliance of the facility nor does it guarantee that violations may not appear in the future. BSCI and the auditing company do not accept responsibility for conditions at other locations that may be used in the supply chain of the relevant product or service since this report covers the production site listed under 'audited company' only.

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<b>Lead-Auditor</b>	Nikolay Rulev	<b>Additional Auditor</b>	Vojislav Radenkovic - local expert
<b>Audit Date</b>	17.05.2011	<b>Number of man days applied</b>	1,5

**A. Master Data – For full details on the business structure of the company, see complete Master Data in the Audit Questionnaire.**

Location of audited Company		Basic Data	
Name of Company	Sirogojno Company	Year of foundation	1991
http://www.	www.sirogojno-company.com	Legal status	LLC
Street	Sirogojno	Language(s) spoken in company	Serbian
City	Sirogojno	Total production capacity per month	600 tons / month
Zip Code	31207	<b>Contact Person</b>	
Country	Serbia	Name	Mrs. Ana Ljubojevic
Phone	+381 31802011	Position / Language	Business Development manager Serbian, English, German, French
Fax	+381 31802075	Phone	+381 63618515
DBID Number	24845	E-mail	ana.ljuboevic@sirogojno-company.com

Business Activities					
Clothing:	<input type="checkbox"/>	Construction Material:	<input type="checkbox"/>	Electronic Groups:	<input type="checkbox"/>
Eyewear (Glasses):	<input type="checkbox"/>	Furniture:	<input type="checkbox"/>	Leather Goods (except shoes):	<input type="checkbox"/>
Machinery:	<input type="checkbox"/>	Other hard goods:	<input checked="" type="checkbox"/>	Shoes:	<input type="checkbox"/>
Textiles:	<input type="checkbox"/>	Toys:	<input type="checkbox"/>	Textiles raw material or accessories	<input type="checkbox"/>

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## B. Audit Assessment Part B BSCI Mandatory Social Requirements

		Results			
		2	1	0	NA
B.1	Management Practice	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.2	Documentation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.3	Working Time	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.4	Compensation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.5	Child Labour / Young Employees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.6	Forced Labour / Prisoner Labour / Disciplinary Measures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.7	Freedom of Association / Collective Bargaining	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.8	Discrimination	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.9	Working Conditions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.10	Health and Social Facilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.11	Occupational Health and Safety	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
B.12	Dormitories	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
B.13	Environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

<b>Total Result:</b>	<b>Good</b> <input checked="" type="checkbox"/>	<b>Improvements Needed</b> <input type="checkbox"/>	<b>Non-compliant</b> <input type="checkbox"/>
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### Remarks

The audit has started on May 17<sup>th</sup> at 8:00h. During the opening meeting the whole management staff was present.

All required information, personal files, wage records, H&S training records, maintenance of machines and dangerous equipment was presented to the audit team for review.

The company was established in 1991 and in 1999 started the production of frozen fruits in Sirogojno. In 2008 the production was extended on a new site in Rupeljevo - abt. 30 km from Sirogojno.

The factory has all legal required documents and permissions for production activities. The relevant authorities carry out regular inspections and the reports of those inspections were presented for review. The HR dept. keeps complete personal files for all employees containing copies of ID. The factory is working in two shifts: 1<sup>st</sup> shift - 7:00 to 15:00; 2<sup>nd</sup> shift - 15:00 to 23:00. The workers have 2 breaks 15 minutes each and one 30 minutes break for meal.

Please fill in under results			
2 = Good	1 = Improvements Needed	0 = Non-compliant	NA = Not Applicable
No deviation from requirements or only minor deviations and full protection of employees is given	Deviations in the minority of requirements and no crucial points	Deviations in 50% or in the majority of requirements or/and in crucial points (double framed)	Requirements do not match to the company structure

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The wages are paid on 8<sup>th</sup> of the following month through bank transfer on the individual account of each worker.

The workers have receive additional monthly benefits: RSD 85 per day for food. Evidences for the payment of social insurances were presented. The requested payrolls were presented and were found to be complete and sustainable after cross checks made.

No discrimination practices were observed. There was no concern observed or reported during the interviews and assessment of compensation, benefits, job assignment and hiring procedures.

No child labor was found. All workers were very open to the audit team. The individual interviews took place in the production area and in a separate room in the factory.

The company has performed risk assessment of each work place and appropriate measures were taken to protect the health and safety of the workers including use of PPE.

The workers have formed a workers union in April 2011 and a Collective Bargaining Agreement is in process of preparation from the elected worker representatives.

The audit team was accompanied during all the audit and the staff was very cooperative.

In general the workers showed positive attitude to the company, working conditions and management's behaviour as they are paid on time, no deductions made by the management. No negative feedback from the workers interviews.

Please fill in under results			
2 = Good	1 = Improvements Needed	0 = Non-compliant	NA = Not Applicable
No deviation from requirements or only minor deviations and full protection of employees is given	Deviations in the minority of requirements and no crucial points	Deviations in 50% or in the majority of requirements or/and in crucial points (double framed)	Requirements do not match to the company structure

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<b>Audit Corrective Action Plan (CAP) Part B BSCI Mandatory Social Requirements</b>		
	<b>Findings and Necessary Improvements</b>	<b>Implementation Date</b>
<b>Management Practice</b>	No discrepancies observed during the audit	
<b>Documentation</b>	No discrepancies observed during the audit	
<b>Working Time</b>	No discrepancies observed during the audit	
<b>Compensation</b>	No discrepancies observed during the audit	
<b>Child Labour / Young Employees</b>	No discrepancies observed during the audit	
<b>Forced Labour / Prisoner Labour / Disciplinary Measures</b>	No discrepancies observed during the audit	
<b>Freedom of Association and Collective Bargaining</b>	No discrepancies observed during the audit	
<b>Discrimination</b>	No discrepancies observed during the audit	
<b>Working Conditions</b>	No discrepancies observed during the audit.	
<b>Health and Social Facilities</b>	No discrepancies observed during the audit	
<b>Occupational Health and Safety</b>	No discrepancies observed during the audit	

Please fill in under results			
2 = Good	1 = Improvements Needed	0 = Non-compliant	NA = Not Applicable
No deviation from requirements or only minor deviations and full protection of employees is given	Deviations in the minority of requirements and no crucial points	Deviations in 50% or in the majority of requirements or/and in crucial points (double framed)	Requirements do not match to the company structure

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<b>Dormitories</b>	<a href="#">N/A</a>	
<b>Environment</b>	<a href="#">No discrepancies observed during the audit</a>	

[17.05.2011, Nikolay Rulev](#)

Date / signature / stamp Auditor

Signature / stamp Company

Please fill in under results			
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**C. Audit Assessment Part C Best Practice for Industry - Voluntary implementation but auditing is mandatory**

		Results		
		2	1	NA
C.1	Policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
C.2	Planning and Implementation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
C.3	Management Review	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
C.4	Control of Subcontractors / Suppliers / Sub-suppliers	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
C.5	Control of Homeworkers	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
C.6	Compensation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
C.7	Child Labour	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
C.8	Evasion	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
C.9	Outside Communication	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

**Ripe for SA8000 Certification with regard to audit results B. and C.:**       YES       NO

**Training and assistance necessary but SA8000 certifiable**       YES       NO

**Remarks**

After explanation about SA 8000 certification during the closing meeting it was stated that at this moment such certification is not in the priorities of the factory management.

Please fill in under results		
2 = Good	1 = Improvements Needed	NA = Not Applicable
No deviation from requirements	Deviation from requirements	Requirements do not match to the company structure



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### Audit Corrective Action Plan (CAP) Part C Best Practice for Industry

	Findings and Necessary Improvements	Agreed		Implemen- tation Date
		Yes	No	
<b>Policy</b>	The factory should elaborate a policy towards social accountability and labor conditions that includes a commitment to conform to SA 8000 Standard, National laws etc. and that is effectively documented, implemented,	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Planning and Implementation</b>	The company should ensure that the requirements of the SA8000 Standard are understood and implemented at all levels of the organisation by, among others, providing a clear definition of roles, responsibilities and authority, training new and/or temporary employees upon hiring, periodically training and implementing an awareness programme for existing employees, as well as continuously monitoring activities and results to demonstrate the effectiveness of systems implemented to meet the company's policy and the requirements of this standard.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Management Review</b>	The company should establish policy and procedures that comply with a certain renowned standard. And the company should periodically review the adequacy, suitability and continuing effectiveness of the company's policy, procedures and performance results vis-à-vis the requirements of the SA8000 Standard and other requirements to which the company subscribes. Also, where appropriate, the company should implement system amendments and improvements.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Control of Suppliers / Subsuppliers</b>	The company should establish and maintain appropriate procedures to recruit suppliers / sub-suppliers based on their ability to meet the requirements of the SA8000 Standard. Also, the company should maintain appropriate records of suppliers / sub-suppliers commitments to social accountability, which include, among others, the written commitments to conform to all requirements of the SA8000 Standard, to participate in the companies monitoring activities as requested, to promptly implement remedial and corrective actions to address any non conformance identified with regard to requirements of the SA8000 Standard, to promptly and completely inform the company of any and all relevant business relationship(s) with own suppliers / sub-suppliers. In addition to that, the company needs to establish a system to monitor the suppliers / sub-suppliers social performance against the requirements of the SA8000 Standard. Moreover, the company should maintain reasonable evidence that the suppliers / sub-suppliers continuously improve conditions to meet the requirements of the SA8000 Standard	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Control of Homeworkers</b>	N/A	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Compensation</b>	The company should have a well-defined plan for achieving the basic needs wage within a specified and reasonable period of time	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
<b>Child Labour</b>	No discrepancies observed during the audit.	<input type="checkbox"/>	<input type="checkbox"/>	

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<b>Evasion</b>	No discrepancies observed during the audit.	<input type="checkbox"/>	<input type="checkbox"/>	
<b>Outside Communication</b>	The company should establish and maintain procedures to communicate regularly to all interested parties data and other information regarding performance of the requirements of the SA8000 Standard, including, but not limited to, the results of management reviews and monitoring activities.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

17.05.2011, Nikolay Rulev

Date / signature / stamp Auditor

Signature / stamp Company

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### List of Audit Attachments

	<b>Obligatory Attachments</b>	Attached?
1.	Employees Interview Sheet	Y
2	Photos: outside factory compound, production floor, canteen, dormitories, display of the code of conduct, nursery, etc.	Y
3	Child Labour Record Sheet	N/A

	<b>Required copies to be available as part of the audit pack, if no legal prohibition for collecting the record, according to local law.</b>	Available with the audit files?
4	Collective Bargaining Agreement	N/A
5	Personnel File sample	Y
6	Time Record sample	Y
7	Payslip sample	Y
8	Payment to Social Insurance Fund	Y
9	Wage List sample	Y
10	Maternity Leave sample	Y
11	Work Rules	Y
12	Documentation on Health and Safety Training	Y
13	Documentation on Social Issues made by officials or other social audit	Y
14	Agreement with a union or other worker representative	N/A
15	Authorization for exemptions from statutory regulations	N/A
16		
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