SMETA

Sedex Members Ethical Trade Audit Report

Version 6.0

Audit Details				
Sedex Company Reference: *(only available on Sedex System)*	Facility is not member to the Sedex system	Sedex Site Reference: *(only available on Sedex System)*	Facility is not member to the Sedex system	
Business name (Company name):	NARKONTEKS TEKSTIL IHR. ITH. SAN. VE TIC. A.S.			
Site name:	NARKONTEKS TEKSTIL IHR. ITH. SAN. VE TIC. A.S.			
Site address: *(Please include full address)*	DOGUS CAD. 3-19 NO: 12 BUCA / IZMIR	Country:	TURKEY	
Site contact and job title:	PINAR ERKAN – HR MANAGER			
Site phone:	0090 232 440 86 86	Site e–mail:	pinarerkan@narkonteks.com	
SMETA Audit Type:	☒ Labour Standards	☒ Health & Safety	☐ Environment	☐ Business Ethics
Date of Audit:	27-28-29.06.2018			
Audit Company Name & Logo: intertek Total Quality. Assured.	**Report Owner (payee):** NARKONTEKS TEKSTIL IHR. ITH. SAN. VE TIC. A.S.			

Audit Conducted By					
Commercial	☒	Purchaser	☐	Retailer	☐
Brand owner	☐	NGO	☐	Trade Union	☐
Multi–stakeholder	☐	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.0 April 2017 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

Any exceptions to this must be recorded here (e.g. different sample size): The audit is combined with BSCI social compliance audit.

Auditor Team (s) (please list all including all interviewers):
Lead auditor: FATMA ARLI
Team auditor: SEVAN CIMEN
Interviewers: SEVAN CIMEN- FATMA ARLI
Observer: NONE

Report writer: FATMA ARLI
Report reviewer: CEREN GULDALI

Date of declaration: 27-28-29.06.2018

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

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

Non–Compliance Table

Issue *(please click on the issue title to go direct to the appropriate audit results by clause)* ***Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.***		Area of Non–Conformity *(Only check box when there is a non–conformity, and only in the box/es where the non–conformity can be found)*				Record the number of issues by line*:			NC Findings Only ***(note to auditor, summarise in as few words as possible NC's only)***
		ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A	Universal Rights covering UNGP			☐	☐		1	0	• None Observed
0B	Management systems and code implementation	☐	☐	☐	☐	0	0	0	• None Observed
1.	Freely chosen Employment	☐	☐		☐	0	0	0	• None Observed
2	Freedom of Association	☐	☐		☐	0	0	0	• None Observed
3	Safety and Hygienic Conditions	☒	☒		☐	2	0	0	• It was noted that there was no secondary emergency exit door in 2 female dressing rooms. In addition, that emergency exit doors were opening inward, not marked and not illuminated in 2 female dressing rooms. • It was noted that electricity grounding measurements was not conducted by authorised person for No:8 fabric warehouse building. The person has no grounding competence certificate.
4	Child Labour	☐	☐		☐	0	0	0	• None Observed

5	Living Wages and Benefits	☒	☒		☐	2	0	1	• It was noted that there was no child care room / creche contract was not available in the facility • It was noted that no time in and out records were kept for 2 watchmen employees in the facility. So, overtime working practices and payments could not be verified for these employees.
6	Working Hours	☒	☒		☐	1	0	0	• It was noted that no time in and out records were kept for 2 watchmen employees in the facility. So, normal and overtime working hours could not be verified for these employees.
7	Discrimination	☐	☐		☐	0	0	0	• None Observed
8	Regular Employment	☐	☐	☐	☐	0	0	0	• None Observed
8A	Sub–Contracting and Homeworking		☐	☐	☐	0	0	0	• None Observed
9	Harsh or Inhumane Treatment	☐	☐	☐	☐	0	0	0	• None Observed
10A	Entitlement to Work		☐	☐	☐	0	0	0	• None Observed
10B2	Environment 2-Pillar		☐	☐	☐	0	0	0	• None Observed
10B4	Environment 4–Pillar		☐	☐	☐	NA	NA	NA	• Not applicable
10C	Business Ethics		☐	☐	☐	NA	NA	NA	• Not applicable

General observations and summary of the site:

Site Summary

- NARKONTEKS A.Ş. was established in 01.04.2005 in Buca, Izmir.
- The main production of the facility is Home wear and Underwear garments for Men, Women and Children. The facility has owner of BLACKSPADE brand. There are Cutting, Sewing and Finishing processes at the facility.
- The total land occupied by the facility is 1600 sqm. Total closed area is 3790 sqm.
- The facility has branch facility at the same street; at no: 8 which is used only for Warehouse of the garments. There are 8 employees who was registered at this company. This warehouse has been located in entrance floor of 3 floored building. This branch was included in audit process as health and safety tour and employee interview in audit date.
- Facility has valid ISO 9001:2015 (September 2018) , ISO 14001 (March 2020) , OEKOTEX Certificates .
- There are 2 agency companies named SOFRA GIDA and EUROSERVE GUVENLIK in the facility. Cleaning , security and lunch hall employees were registered on this companies.
- There is no union at this facility.

• 31 employees ` time and payment records were reviewed for May 2018(current month) , October 2017 (peak month) and January 2018 (non-peak month) . 31 employees were interviewed. 6 out of them was pregnant , 1 out of them was disabled, and 3 out of them was agency employees. In addition that 1 employee who work in fabric warehouse, at other building was registered at branch sister company . All of them was local and permanent

- Payment Day: 10th of each month
- Production Capacity: 440.000 pcs / month
- There are 4 worker representative at the facility.
- Regular working hours are 08:00-18:00 with 2x15 min tea break and 30 min lunch break for 5 days in a week

At least legal minimum pay was paid to all workers Since January 1st, 2017: 1777,5 TL (Gross- including subsistence allowance); 1404.06 TL (Net- including subsistence allowance) / month)
Since January 1st 2018: 2029,50 TL (Gross- including subsistence allowance);1603,12 TL (Net- including subsistence allowance) / month)

• Based on the provided attendance records, standard working hours in this facility were 45 hours per week.
• The overtime hours in the reviewed months were as below:

0-40 hours/month in May 2018(Current month)
0-14 hours/month in January 2018 (non-peak month)
0-25 hours/month in October 2017 (peak month)

There are totally 435 employees include agency workers in the facility

# of young employee: 0
# of pregnant employee: 16
# of disabled employee: 12
Maternity leave: 0

Payment Period: Monthly
Time record system: Finger print recording

Issues Found
NC's
Health and Safety
NC1
It was noted that there was no secondary emergency exit door in 2 female dressing rooms. In addition, that emergency exit doors were opening inward, not marked and not illuminated in 2 female dressing rooms.
NC2
It was noted that electricity grounding measurements was not conducted by authorised person for No:8 fabric warehouse building. The person has no grounding competence certificate.
Wages and Benefits
NC3
It was noted that there was no child care room / creche contract was not available in the facility
NC4
It was noted that no time in and out records were kept for 2 watchmen employees in the facility. So, overtime working practices and payments could not be verified for these employees.
Working Hours
NC5
It was noted that no time in and out records were kept for 2 watchmen employees in the facility. So, normal and overtime working hours could not be verified for these employees.

Observations
OB1 Universal Rights
Supplier mapping was not conducted in the facility

Good Examples

GE

Meal and transportation is provided free of charge to all employees at the facility.

Audit Process

This initial audit was conducted by Intertek. Two auditors assessed/verified the facility's operations against the ETI Base Code and local legislation on a sampling basis in 3 days.

Overview of opening meeting, factory management responses:

At 09:00am on 27-28-29 of June 2018,FATMA ARLI / LEAD AUDITOR and SEVAN CIMEN / TEAM AUDITOR entered the facility, and then held an opening meeting according to the ETI Base Code; the facility management was present in the meeting. Opening and closing meeting was held with PINAR ERKAN – HR MANAGER and HASAN OZTURK ADMINISTRATION MANAGER

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

Site Details

<table>
<tr><th colspan="2">Site Details</th></tr>
<tr><td>A: Company Name:</td><td>NARKONTEKS TEKSTIL IHR. ITH. SAN. VE TIC. A.S.</td></tr>
<tr><td>B: Site name:</td><td>NARKONTEKS TEKSTIL IHR. ITH. SAN. VE TIC. A.S.</td></tr>
<tr><td>C: Applicable business and other legally required licence numbers and documents
for example, business license no, liability insurance, any other required government inspections</td><td>OPENING AND OPERATING LICENSE NUMBER – 16.3.2018 - 2018/4</td></tr>
<tr><td>D: Products/Activities at site, for example, garment manufacture, electricals, toys, grower</td><td>Home wear and Underwear garments for Men, Women and Children</td></tr>
<tr><td>E: Site description:
(Include size, location, and age of site. Also, include structure and number of buildings)</td><td>NARKONTEKS A.Ş. was established in 01.04.2005 in Buca, Izmir. The main production of the facility is Home wear and Underwear garments for Men, Women and Children. The facility has owner of BLACKSPADE brand. There are Cutting, Sewing and Finishing processes at the facility.
The total land occupied by the facility is 1600 sqm. Total closed area is 3790 sqm.
The facility has branch facility at the same street; at no: 8 which is used only for Warehouse of the garments. There are 8 employees who was registered at this company. This warehouse has been located in entrance floor of 3 floored building. This branch was included in audit process in audit date
<table>
<tr><th>Production Building no 1 NO:12</th><th>Description</th><th>Remark, if any</th></tr>
<tr><td>Bottom 1 floor</td><td>Cutting area</td><td>None</td></tr>
<tr><td>Basement floor</td><td>Accessory Warehouse and Loading</td><td>None</td></tr>
<tr><td>Entrance floor</td><td>Cutting</td><td>None</td></tr>
<tr><td>1st floor</td><td>Sewing section, Changing Rooms and lavatories</td><td>None</td></tr>
<tr><td>2nd floor</td><td>Sewing section, Changing Rooms and lavatories</td><td>None</td></tr>
</table>
</td></tr>
</table>

	<table><tr><td>3rd floor</td><td>Bra production area , Sampling area, Lunch Area, Doctor Room, Changing rooms</td><td>None</td></tr><tr><td>Is this a shared building?</td><td>No</td><td>NA</td></tr><tr><td>Production Building no 1 NO:8</td><td>Description</td><td>Remark, if any</td></tr><tr><td>Bottom 1 floor</td><td>Warehouse belongs to independent company</td><td>None</td></tr><tr><td>Entrance floor</td><td>Fabric warehouse</td><td>None</td></tr><tr><td>1st floor</td><td>Independent company production areas</td><td>None</td></tr><tr><td>2nd floor</td><td>Independent company production areas</td><td>None</td></tr><tr><td>3rd floor</td><td>Independent company production areas</td><td>None</td></tr><tr><td>Is this a shared building?</td><td>Yes</td><td>NA</td></tr></table> Visible structural integrity issues (large cracks) observed and without structural engineer evaluation ☐ Yes ☒ No Details: NA The layout of the buildings ;
F: Site function:	☐ Agent ☒ Factory Processing/Manufacturer ☐ Finished Product Supplier ☐ Grower ☐ Homeworker ☐ Labour Provider ☐ Pack House ☐ Primary Producer ☐ Service Provider ☐ Sub–Contractor
G: Month(s) of peak season:	April- May- June- August- September- October

(if applicable)	
H: Process overview: *(Include products being produced, main operations, number of production lines, main equipment used)*	The main products manufactured by the factory are Home wear and Underwear garments for Men, Women and Children Main operations are sewing, cutting, finishing The facility has 490 sewing machines, 18 cutting machines and 7 ironing machines
I: What form of worker representation / union is there on site?	☐ Union (name) ☐ Worker Committee ☒ Other (Open door policy, worker representative, suggestion boxes) ☐ None
J: Is there any night production work at the site?	☐ Yes ☒ No
K: Are there any on site provided worker accommodation buildings e.g. dormitories	☐ Yes ☒ No If yes approx. % of workers in on site accommodation
L: Are there any off site provided worker accommodation buildings	☐ Yes ☒ No If Yes approx. % of workers
M: Were the site provided accommodation buildings included in this audit	☐ Yes NA ☐ No If No, please give details

Audit Parameters			
A: Time in and time out	Day 1 Time in: 09:00 Day 1 Time out: 17:00	Day 2 Time in: 09:00 Day 2 Time out: 17:00	Day 3 Time in: 09:00 Day 3 Time out: 14:00
B: Number of Auditor Days Used:	2 Auditors x 3 days		
C: Audit type:	☒ Full Initial ☐ Periodic ☐ Full Follow–up ☐ Partial Follow–Up ☐ Partial Other – Define		
D: Was the audit announced?	☒ Announced ☐ Semi – announced: Window detail: weeks ☐ Unannounced		
E: Was the Sedex SAQ available for review?	☐ Yes ☒ No If No, why not : Facility is not member to the Sedex system		

F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	☐ Yes NA ☐ No If **Yes**, please capture detail in appropriate audit by clause Facility is not member to the Sedex system
G: Who signed and agreed CAPR *(Name and job title)*	PINAR ERKAN – HR MANAGER
H: Is further information available *(if Y please contact audit company for details)*	☐ Yes ☒ No
I: Previous audit date:	27.02.2017
J: Previous audit type:	Periodic audit
K: Was any previous audit reviewed during this audit	☐ Yes ☒ No ☐ N/A

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	☒ Yes ☐ No	☐ Yes ☒ No	☐ Yes ☒ No
B: Present at the audit?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No
C: Present at the closing meeting?	☒ Yes ☐ No	☐ Yes ☒ No	☐ Yes ☒ No
D: If Worker Representatives were not present please explain reasons why *(only complete if no worker reps present)*	NA		
E: If Union Representatives were not present please explain reasons why: *(only complete if no union reps present)*	There is no union in the facility.		

Worker Analysis

> *The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national and where they do not intend to remain permanently or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity*

Worker Analysis								
	Local			**Migrant***				**Total**
	Permanent	**Temporary**	**Agency**	**Permanent**	**Temporary**	**Agency**	**Home workers**	
Worker numbers – Male	156 *	0	5	0	0	0	0	161 *
Worker numbers – female	267*	0	7	0	0	0	0	274*
Total	423 *	0	12	0	0	0	0	435 *
*Including administration employees								
Number of Workers interviewed – male	8	0	2	0	0	0	0	10
Number of Workers interviewed – female	20	0	1	0	0	0	0	21
Total – interviewed sample size	28	0	3	0	0	0	0	31

A: Nationality of Management	TURKISH
B: Majority nationality of workers	Main countries: Country 1: TURKISH approx % total workforce__100___ Country 2: _____ approx % total workforce_____ Country 3: _____ approx % total workforce_____
C: Worker remuneration *(management information)*	_____% workers on piece rate __100__% hourly paid workers _____% salaried workers Payment cycle: _____% daily paid _____% weekly paid __100__% monthly paid _____% other – please give details

Worker Interview Summary		
A: Were workers aware of the audit?	☒ Yes ☐ No	
B: Were workers aware of the code?	☒ Yes ☐ No	
C: Number of group interviews: *(Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG, please state within the declaration)*	4 groups of 5 employees	
D: Number of individual interviews *(Please see SMETA Best Practice Guidance and Measurement Criteria)*	Male: 5	Female: 6
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. *Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment*	☒ Yes ☐ No If N, please give details NA	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	☒ Yes ☐ No	
G: In general, what was the attitude of the workers towards their workplace?	☒ Favourable ☐ Non–favourable ☐ Indifferent	
H: What was the most common worker complaint?	NONE	
I: What did the workers like the most about working at this site?	Payments on time, management attitude	
J: Any additional comment(s) regarding interviews:	NONE	
K: Attitude of workers to hours worked:	They are happy regarding working hours.	
L. Is there any worker survey information available?		
☐ Yes ☒ No *If Yes, please give details:*		
M: Attitude of workers: *(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk*		

The general attitude of the employees was positive. Social insurance and payment on time were the positive issues raised by the employees. They were paid at least minimum wage and always paid on time. There is no discrimination, harassment, abuse or forced labour.
N: Attitude of worker's committee/union reps: *(Include their attitude to management, workplace, and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk*
No negative comment was noted during the worker representative interview.
O: Attitude of managers: *(Include attitude to audit, and audit process. Both positive and negative information should be included)*
Management was helpful during the audit process.

Audit Results by Clause

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

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current systems: The facility has social compliance policy and procedures that includes supplier management. Social compliance responsible is authorized: PINAR ERKAN – HR MANAGER The facility has grievance mechanism for both internal and external business partners. **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):** Details: Social compliance policy and related procedures Authorization letter of social compliance responsible Supplier chain mapping Supplier and Subcontractors choosing and evaluating procedure Grievance Mechanism Feedbacks Management interview Employees' interviews Any other comments: None

A: Policy statement that expresses commitment to respect human rights?	☒ Yes ☐ No

	Please give details: The facility has detailed social compliance policy that includes human rights.
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	☒ Yes ☐ No Please give details: Name: PINAR ERKAN Job title: HR MANAGER
C: Does the businesses have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	☒ Yes ☐ No Please give details: The facility has suggestion box placed at several places.
D: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?	☒ Yes ☐ No Please give details: The facility has detailed privacy procedures for worker's information. Also, the feedbacks getting from suggestion boxes are evaluated by the management in a confidential way.

Findings	
1.Finding: Observation ☒ **Company NC** ☐ **Description of observation:** Supplier mapping was not conducted in the facility **Local law or ETI/Additional elements / customer specific requirement:** 0.A.3 Businesses shall identify their stakeholders and salient issues. **Comments:** Please map your all stakeholders.	**Objective evidence observed:** Document review

Good examples observed:	
Description of Good Example (GE): None Observed	**Objective Evidence Observed:** Not applicable

Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	Last year: 2017 _23,4 _%	This year: 2018 _14,1_%
B: 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]	% 5,7	
C: 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: _3,8_%	This year _2,6_ %
D: 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	% 3,4	% 3,4
E: Are accidents recorded?	☒ Yes ☐ No Please describe: There are official accident records kept in Human Resources Office.	
F: 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: Number: 5	This year: Number: 9
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [Number of work related accidents and injuries * 100) / Number of total workers]	% 0,4	%0,4
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	Last year: 0,4	This year: 0,4
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	6 months ___NA__% workers Could not be verified for 2 watchmen employees	12 months __NA_% workers Could not be verified for 2 watchmen employees

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	6 months ___NA___% workers Could not be verified for 2 watchmen employees	12 months ___NA____% workers Could not be verified for 2 watchmen employees

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

Current Systems and Evidence Examined

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

Current systems:
The facility has disciplinary procedures and work rules. All posted onsite.
All social compliance issues are managed and monitored internally.
The employees have information regarding social compliance, social and legal rights.
The facility management has already posted ETI Base code on notice boards.
Overall responsibility for meeting the standards is taken by PINAR ERKAN- HR MANAGER

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

Details:
- Management interview
- Employees' interviews
- Training records
- Company policies

Any other comments: None

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non–compliance to any regulations?	☐ Yes ☒ No Please describe: NA

B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	☒ Yes ☐ No Please describe: Policies and procedures about reducing the risk of forced labour, child labour, discrimination and harassment &abuse are in place.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	Policies exist for all areas (Forced labour, Health and Safety, Wages, Working Hours, and No harsh treatment, Environment, Business Ethics, Child Labour, Recruitment, Discrimination and Sub-contracting.), these are communicated to workers via poster and annual training. Through documents review and workers interview, policy on 'No harsh treatment and Environment' was fully in compliance with the code. Workers stated no forced labour, no child labour was found (through interview and document checks), there were both female and male among management/supervisors.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	☒ Yes ☐ No Please describe: These policy and procedures are communicated to the all staff through posters and also communicated as a part of orientation training.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	☒ Yes ☐ No Please describe: Training records are available.
F; Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). *Please detail (Number and date).*	☒ Yes ☐ No Please describe: Facility Has; • IS0 9001 (September 2019) • ISO 14001 (March 2020)
G: Is there a Human Resources manager/department? If Yes, please detail.	☒ Yes ☐ No Please describe: PINAR ERKAN- HR MANAGER
H: Is there a senior person /manager responsible for implementation of the Code	☒ Yes ☐ No Please describe: PINAR ERKAN- HR MANAGER
I: Is there a policy to ensure all worker information is confidential	☒ Yes ☐ No

	Please describe: All worker information is kept on their personnel files. These files are kept on Administration office.
J: Is there an effective procedure to ensure confidential information is kept confidential	☒ Yes ☐ No Please describe: All worker information is kept on their personnel files. These files are kept on Administration office. There is also a Confidentiality Policy.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	☒ Yes ☐ No Details: Health and Safety Risk assessment includes policy and procedures effectiveness.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	☒ Yes ☐ No Details: The facility performs a corrective action plan for the findings that addressed on risk assessment.
M: Does the facility have a policy/code which requires labour standards of its own suppliers?	☒ Yes ☐ No Details: The facility has choosing and evaluating procedure for its suppliers.
Land rights	
N: Does the site have all required land rights licenses and permissions *(see SMETA Measurement Criteria)*?	☒ Yes ☐ No Details: The facility has all required land rights licenses and permissions.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title	☒ Yes ☐ No Details: The facility fulfils the requirements during getting facility opening and operating permit. Also, the facility has construction permit and exemption letter of environmental impact assessment.
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	☒ Yes ☐ No If yes, how does the company obtain FPIC: The facility has the environmental permit, environmental impact assessment, and environmental risk assessment.
Q: Is there evidence that facility site compensated the owner/lessor for the land prior to the facility being built or expanded. Please give details.	☒ Yes ☐ No Details: The facility has land title document in accordance with the law.

R. Does the Facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts Please give details.	☒ Yes ☐ No Details: There is no land acquisition. In case a land acquisition, the facility applies to the municipality and fulfill the obligations regarding environmental impact assessment, construction permit etc.
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	☐ Yes ☒ No Details: There is no illegal appropriation of land for facility building.

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI code: ☐ NC against Local Law: ☐ NC against customer None Observed **Local law and/or ETI requirement** Not Applicable **Recommended corrective action:** Not Applicable	**Objective evidence observed:** Not applicable

Observation:	
Description of observation: None Observed **Local law or ETI requirement:** Not applicable **Comments:** Not applicable	**Objective evidence observed:** Not applicable

Good Examples observed:	
Description of Good Example (GE): None observed	**Objective evidence observed:** Not applicable

1: Freely Chosen Employment *(Click here to return to NC–table)*
ETI 1.1 There is no forced, bonded or involuntary prison labour. 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current systems: The factory has a policy against forced labour and the policy was reviewed by auditors. There was a non-formalised application procedure which states that workers must present their ID's. There was no forced or bonded labour at the company. Movement of employees at the facility were not limited. Employees have free access to toilets and drinkable water. Overtimes are always performed on voluntary basis. Employment was freely chosen. Workers were free to leave and were not required to lodge deposits or ID papers with their employers. The above was confirmed in management and workers' interviews. **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):** Details: Policy documents Workers' interviews Personnel files and pay-slips Disciplinary records Labour contracts Any other comments: None

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

D: Are there any restrictions on workers' freedom to terminate employment?	☐ Yes ☒ No Please describe finding:
E: If any part of the business is UK based / registered & turnover is 36m+ there is a requirement to publish a 'modern day slavery statement. F: Is there a modern day slavery statement published	☐ Yes ☐ No Please describe finding: ☒ Not applicable
G: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day	☐ Yes ☒ No Please describe finding:
H: Does the site understand the risks of forced / trafficked / bonded labour in it's supply chain	☐ Yes ☐ No If yes please give details and category of workers affected: ☒ Not applicable Auditor Note: The facility has a detailed procedure regarding this issue.
I: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	☒ Yes ☐ No Please describe finding: The facility has a detailed procedure regarding this issue includes reducing the risk of forced/trafficked labour.

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI code: ☐ NC against Local Law: ☐ NC against customer None Observed **Local law and/or ETI requirement** Not Applicable **Recommended corrective action:** Not Applicable	**Objective evidence observed:** Not applicable

Observation:	
Description of observation: None Observed **Local law or ETI requirement:** Not applicable	**Objective evidence observed:** Not applicable

Comments: Not applicable	

Good Examples observed:	
Description of Good Example (GE): None Observed	**Objective evidence observed:** Not applicable

2: Freedom of Association and Right to Collective Bargaining are Respected *(Click here to return to NC–table)* *(Click here to return to Key Information)*
ETI 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities. 2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace. 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current systems: There is no Trade Union in the facility. Company does not restrict workers to join or form any union which is asked during interviews. There was an open-door policy in operation at the company. Employees may appeal their grievances or suggestions directly to their supervisors. Also, employees stated that they can use suggestion boxes to express their opinions and they can share the issues with Worker Representative. There are 4 worker representatives for general working conditions. **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):** Details: •Management interview •Workers' interviews •Worker representative interview •Suggestion box records •Policy of the facility regarding Freedom of Association. Any other comments: None

A: What form of worker representation/union is there on site?	☐ Union (name) ☐ Worker Committee ☒ Other (Open-door policy, worker representative, suggestion boxes) ☐ None
B: Is it a legal requirement to have a union?	☐ Yes ☒ No

C: Is it a legal requirement to have a worker's committee?	☐ Yes ☒ No	
D: Is there any other form of effective worker/management communication channel? *(Other than union/worker committee)* e.g. H&S, sexual harassment	☒ Yes ☐ No Describe: Employees declared that they can go directly to the management for their suggestions whenever they want. In addition to this, suggestion boxes are placed in several places of the company. Is there evidence of free elections? ☒ Yes (for worker representative) ☐ No	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	☒ Yes ☐ No Details: The supplier does provide adequate facilities to allow the worker representative and the workers to conduct the related activities.	
F: Name of union and union representative, if applicable:	There is no union at the facility.	Is there evidence of free elections? ☐ Yes ☐ No ☒ N/A
G: If no union what is parallel means of consultation with workers e.g. worker committees?	There are 4 worker representatives, open door policy and suggestion boxes in the facility.	Is there evidence of free elections? ☒ Yes ☐ No ☐ N/A
H: Are all workers aware of who their representatives are?	☒ Yes ☐ No	
I: Were worker representatives freely elected?	☒ Yes ☐ No	The worker representative was freely elected. 2018
J: Do workers know what topics can be raised with their representatives?	☒ Yes ☐ No	
K: Were worker representatives/union representatives interviewed	☒ Yes ☐ No If **Yes**, please state how many: 2	
L: State any evidence that union/worker's committee is effective? *Specify date of last meeting; topics covered; how minutes were communicated etc.*	There was no worker committee in the facility.	
M: Are any workers covered by Collective Bargaining Agreement (CBA)	☐ Yes ☒ No	

N: If **Yes** what percentage by trade Union/worker representation	NA____% workers covered by Union CBA	_NA___% workers covered by worker rep CBA
O: If **Yes**, does the Collective Bargaining Agreement (CBA) include rates of pay	☐ Yes NA ☐ No	

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI code**:** ☐ NC against Local Law**:** ☐ NC against customer None Observed **Local law and/or ETI requirement** Not Applicable **Recommended corrective action:** Not Applicable	**Objective evidence observed:** Not applicable

Observation:	
Description of observation: None Observed **Local law or ETI requirement:** Not applicable **Comments:** Not applicable	**Objective evidence observed:** Not applicable

Good Examples observed:	
Description of Good Example (GE): None Observed	**Objective evidence observed:** Not applicable

3: Working Conditions are Safe and Hygienic
(Click here to return to NC–table)
(Click here to return to Key Information)

ETI

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.
3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Current Systems and Evidence Examined

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

Current systems:

1. General Health and Safety management
- Potable water was freely available in all areas and test certificates were up-to-date.
- Sufficient clean toilets segregated by gender were available at all times to workers.
- Ventilation, temperature and lighting were adequate for the production processes.
- Health certificates for kitchen operators and the hygiene certificate for the kitchen was up-to-date and legal.
- Risk assessment was made on 01.09.2015
- Emergency case plans were provided inside the facility.
- Emergency evacuation plans were provided in the facility.
- Minutes of meetings show that there are meetings once every month between the H&S committee (workers) and the H&S manager, and each point is acted on.

2. Fire Safety
- Firefighting equipment are adequate and checks were up-to-date.
- Fire drills were organised and recorded annually. Last fire drill was conducted on 26.2.2018
- Training had been given by fire marshals had been specially selected for extra training.

3. Electrical safety
- All electrical equipment was maintained in good condition such as sockets, plugs, switches and main fuse boards.

4. Chemical safety
- No chemicals are used in the facility however workers had been trained on chemical procedures as well as what to do in an emergency.
- The facility only use machine oil and it was correctly labeled.

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

Details:
- Health and safety policy
- Health and safety manual
- Health and safety committee minutes
- Training records and certificates
- Fire equipment maintenance records
- Fire drill records
- Government licenses and checks on air quality and noise level
- Accident reports
- Sanitation permit for kitchen
- Health certificates for kitchen staff
- Potable water testing certificates
- Interviews with H&S manager
- Interviews with workers and H&S committee members

Any other comments: None

A: Does the facility have general Health & Safety and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	☒ Yes ☐ No Details: The facility has Health & Safety Procedures and these procedures are shared with employees via trainings.
B: Are the policies included in worker's manual?	☒ Yes ☐ No Details: The facility has a detailed Health & Safety procedure and this procedure is explained in Health and Safety trainings to employees.
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	☐ Yes ☒ No Details: There was no structural addition of the building without permit.
D: Are visitors to the site informed on H&S and provided with personal protective equipment	☒ Yes ☐ No Details: This information is provided by H & S specialist.
E: Is a medical room or medical facility provided for workers? If yes, do the rooms meet legal requirements and is the size/number of	☒ Yes ☐ No Details: The facility has a separate room that meets legal requirement.

rooms suitable for the number of workers.	
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid	☒ Yes ☐ No Details: The first aid boxes are placed at every appropriate area.
G: Where facility provides worker transport - it is fit for purpose, safe and maintained and operated by competent persons e.g. buses and other vehicles	☒ Yes ☐ No Details: Details: All transportation vehicles have insurance and all drivers has professional competence certificate(SRC)
H: Secure personal storage space is provided for workers in their living space and is fit for purpose	☐ Yes NA ☐ No Details: There is no living space
I: H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and there are controls to reduce identified risk	☒ Yes ☐ No Details: The risk assessment has working hours section.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources	☒ Yes ☐ No Please describe: The facility has an environmental permit
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals	☐ Yes NA ☐ No Please describe: No banned chemical is used by the facility.

Non–compliance:

1-Description of non–compliance:	**Objective evidence observed:**
☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code**:** It was noted that there was no secondary emergency exit door in 2 female dressing rooms. In addition, that emergency exit doors were opening inward, not marked and not illuminated in 2 female dressing rooms. **Local law and/or ETI requirement:** ETI 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by	1- Facility tour 2- Document review

minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment

In accordance with the Regulation Protection Of Buildings Against Fire (19/12/2007) No : 26735 , art 39 -(2)(Rev: 10/8/2009-2009/15316 K.)
Unless the opposite is stated by the legal authorities, for the high dangerous places on which more than 25 person present and for every place on which more than 50 person present, there should be at least 2 exits. If the number of person exceeds 500, at least 3 exits and if the number of persons exceeds 1000, then at least 4 exits should be provided to the related place.

The Regulation On the Health and Safety Measures Taken for the Buildings and Additions (17.07.2013, No: 28710)
Appendix-1
Minimum Health and Safety Requirements for Buildings and Additions
Emergency Exit Routes and Doors

10 - a) All emergency exit routes and doors at workplaces are opened directly outside or a safety area and shall not be any obstacle in front of or behind them to avoid escaping.
10 - ç) All emergency exit doors are opened immediately and easily by employees in emergency cases. These doors are opened outward. Railing and revolving doors can not be used as emergency exits.
10 - d) There shall not be any obstacle that makes difficult to evacuate at emergency exit routes and doors, and on routes and exits which leading to emergency exit routes and doors. Emergency exit doors shall not be locked or conditioned by any material.
10 - e) All emergency exit routes and doors shall be marked properly in accordance with Regulation on Safety and Health Signs (date: 23/12/2003, No: 25325). Signs shall be placed at proper places and be permanent.

Recommended corrective action: It is recommended to ensure that all emergency exit doors are properly regulated.

Action by: PINAR ERKAN- HR MANAGER
Timescale: 365 days
Verification Method: Follow Up

2-Description of non–compliance:
☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code**:**
It was noted that electricity grounding measurements was not conducted by authorised person for No:8 fabric warehouse building. The person has no grounding competence certificate.

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

In accordance with Turkish Regulation about Occupational Health and Safety circumstances using work equipments (25/04/2013) No: 28628 Addition III - Related Matters for Maintenance, Repairs and Periodical Checks Art 2.3.4 Periodical check period and check criteria for some installments are stated on Table 3 provided that the criteria stated in Art 2.1.1 are reserved. Table 3 Equipment: Electricity Installments, Grounding Installments, Lightning Rod Check Period (Max): 1 year **Recommended corrective action:** It is recommended to provide competence certificate. **Action by:** PINAR ERKAN- HR MANAGER **Timescale:** 180 days **Verification Method:** Desktop	

Observation:	
Description of observation: None observed **Local law or ETI requirement:** Not applicable **Recommended corrective action:** Not applicable	**Objective evidence observed:** Not applicable

Good Examples observed:	
Description of Good Example (GE): None Observed	**Objective Evidence Observed:** Not applicable

4: Child Labour Shall Not Be Used *(Click here to return to NC–table)* *(Click here to return to Key Information)*
ETI 4.1 There shall be no new recruitment of child labour. 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child. 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions. 4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current systems: Minimum age in the facility is 19. There is a Child Labour Policy including the procedure of checking ID's during the job interview. PINAR ERKAN- HR MANAGER is in charge of the Child Labour Code to be implemented in the facility. The auditor interviewed her about the implementation of the Code. **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):** Details: •ID Copies of employees •Personnel file •Child labour policy •Management and employees' interviews Any other comments: None

A: Legal age of employment	15
B: Age of youngest worker found:	19
C: Children present on work floor but not working at time of audit	☐ Yes ☒ No
D: % of under 18's at this site (of total workers)	0 %
E: Workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	☐ Yes NA ☐ No If Y give details

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI code: ☐ NC against Local Law: ☐ NC against customer None Observed **Local law and/or ETI requirement** Not Applicable **Recommended corrective action:** Not Applicable	**Objective evidence observed:** Not applicable

Observation:	
Description of observation: None Observed **Local law or ETI requirement:** Not applicable **Comments:** Not applicable	**Objective evidence observed:** Not applicable

Good Examples observed:	
Description of Good Example (GE): None Observed	**Objective evidence observed:** Not applicable

5: Living Wages are Paid
(Click here to return to NC–table)
(Click here to return to Key information)

ETI

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Current Systems and Evidence Examined

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

Current systems:

There was no employee under the legal minimum wage.
Payslip is given to the employees.
Wages are paid on 5th of each month.
All employees were paid at least minimum wage.
Benefits such as social insurance, annual leave, and child-bearing leave are provided to employees.
Since January 1st, 2017: 1777, 5 TL (Gross- including subsistence allowance); 1404.06 TL (Net- including subsistence allowance) / month.
Since January 1st 2018: 2029,50 TL (Gross- including subsistence allowance);1603,12 TL (Net- including subsistence allowance) / month)

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

Details:
•31 employees' attendance and payroll records from May 2018(Current month), January 2018 (non-peak month), and October 2017 (peak month) were reviewed.
•Social insurance records
•Employees' & management interviews
•Labour contracts

Any other comments: None

Non–compliance:	
3-Description of non–compliance: ☐ NC against ETI ☒ NC against Local Law ☐ NC against customer code**:** It was noted that there was no child care room / creche contract was not available in the facility **Local law and/or ETI requirement:** Regulation on Working Conditions of Pregnant or Breasfeeding Females, Breastfeeding Rooms and Childcare Facilities, No.28737, Date: 16.08.2013; Art. 13 – (2) In any case of ages and marital status, employers who employ more than 150 female shall establish a childcare facility which fulfill the conditions stated in Appendix-IV for female employees to leave their children (0-6 ages), childcare and breastfeeding. If the childcare facility is more than 250 m. far away from the company, employer shall provide transportation. ETI 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income. **Recommended corrective action:** It is recommended to provide creche or creche contract. **Action by:** PINAR ERKAN- HR MANAGER **Timescale:** 365 days **Verification Method:** Follow Up **4- Description of non–compliance:** ☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code**:** It was noted that no time in and out records were kept for 2 watchmen employees in the facility. So, overtime working practices and payments could not be verified for these employees. **Local law and/or ETI requirement:** In accordance with the Turkish Regulation on Working Hours Related to Labor Law, No: 25425, Date: 06.04.2004, Art. 9; The employer should document the working hours of employees appropriately. ETI 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income. **Recommended corrective action:** Please provide compliant time recording system.	**Objective evidence observed:** 3-4-Document review and employee interview

Action by: PINAR ERKAN- HR MANAGER **Timescale:** 30 days **Verification Method:** Follow Up	

Observation:	
Description of observation: None Observed **Local law or ETI requirement:** Not applicable **Comments:** Not applicable	**Objective evidence observed:** Not applicable

Good Examples observed:	
Description of Good Example (GE): 1-Meal and transportation is provided free of charge to all employees.	**Objective Evidence Observed:** Document Review Employee Interview

Summary Information

Criteria	**Local Law** *(Please state legal requirement)*	**Actual at the Site** *(Record site results against the law)*	**Is this part of a Collective Bargaining Agreement?**
A: Standard/Contracted work hours: *(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)*	Legal maximum: 45 hours/week	45 hours / week Could not be verified for 2 watchmen employees	☐ Yes ☐ No There is no CBA in the facility.
B: Overtime hours: *(Maximum legal and actual overtime hours, please state if possible per day, week, and month)*	Legal maximum: 11 total working hours per day (regular + overtime), 270 overtime hours per year	0-11 hours/day in May 2018(Current month) 0-11 hours/month in January 2018 (non-peak month) 0-11 hours/ day in October 2017 (peak month) Could not be verified for 2 watchmen employees	☐ Yes ☐ No There is no CBA in the facility.

D: wage for standard/contracted hours: *(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)*	Legal minimum: Since January 1st, 2017: 1777,5 TL (Gross- including subsistence allowance); 1404.06 TL (Net- including subsistence allowance) / month Since January 1st 2018 : 2029,50 TL (Gross- including subsistence allowance);1603,12 TL (Net- including subsistence allowance) / month)	Since January 1st, 2017: 1777,5 TL (Gross- including subsistence allowance); 1404.06 TL (Net- including subsistence allowance) / month Since January 1st 2018 : 2029,50 TL (Gross- including subsistence allowance);1603,12 TL (Net- including subsistence allowance) / month)	☐ Yes ☐ No There is no CBA in the facility.
E: overtime wage: *(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)*	Legal minimum: 150% for overtime in weekdays and weekends. Overtime premium for national/religious holidays is 200% (The employee gets one day salary for the related national holiday even though she/he does not work on this day. If she/he work , then additional 1 day salary is given to him/her; so the rate totally paid to him/her became 200% in case of doing overtime in national /religious holidays)	150% for overtime in weekdays Overtime premium for national/religious holidays is 200% No rest day working practices observed Could not be verified for 2 watchmen employees	☐ Yes ☐ No There is no CBA in the facility.

Wages analysis: (Click here to return to Key Information)		
A: Were accurate records shown at the first request?	☒ Yes ☐ No	
B: If **No**, why not?	NA	
C: Sample Size Checked *(State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)*	31 employees' attendance and payroll records from April 2018(Current month), January 2018 (non-peak month), and October 2017 (peak month) were reviewed.	
D: Are there different legal minimum wage grades? If **Yes**, please specify all.	☐ Yes ☒ No	If **Yes**, please give details: NA
E: If there are different legal minimum grades, are all workers graded and paid correctly?	☐ Yes ☐ No ☒ N/A	If **No**, please give details: NA
F: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	Lowest Wages found: *2029,50 TL/month including subsistence allowance(Gross)*	Please indicate the breakdown of workforce per earnings: 88% of the workers were paid above minimum wage in the facility.
	☐ Below legal min ☒ Meet ☒ Above	____% of workforce earning under min wage __12_% of workforce earning min wage _88_% of workforce earning above min wage
G: Bonus (amount specify)	Bonus Scheme found: No bonus payment was done. *Note: full time employees and please state hour / week / month etc.*	
H: What deductions are required by law e.g. social insurance? Please state all types:	Social insurance and taxes	
I: Have these deductions been made? Please list all deductions that have/have not been made.	☒ Yes ☐ No If No, please describe	

J: Were appropriate records available to verify hours of work and wages?	☐ Yes ☒ No
K: Were any inconsistencies found? (if yes describe nature)	☒ Yes ☐ No ☒ Poor record keeping ☐ Isolated incident ☐ Repeated occurrence:
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	☒ Yes ☐ No Details: Time recording machine records all working practices.
M: 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.*	☐ Yes ☒ No Please specify amount/time: Not calculated effectively
If yes, what was the calculation method used.	☐ ISEAL/Anker Benchmarks ☐ Asia Floor Wage ☐ Figures provided by Unions ☐ Living Wage Foundation UK ☐ Fair Wear Wage Ladder ☐ Fairtrade Foundation Other – please give details: NA
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	☐ Yes ☒ No Details: NA
O: Are workers paid in a timely manner in line with local law?	☒ Yes ☐ No
P: Is there evidence that equal rates are being paid for equal work:	☒ Yes ☐ No Details: It was confirmed through employee and management interviews and documents review, equal rates are paid for equal work.
Q: How are workers paid:	☐ Cash ☐ Cheque ☒ Bank Transfer ☐ Other If other explain: NA

6: Working Hours are not Excessive
(Click here to return to NC–table)
(Click here to return to Key Information)

ETI

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

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

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

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

*6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where **all** of the following are met:*
- *– this is allowed by national law;*
- *– this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;*
- *– appropriate safeguards are taken to protect the workers' health and safety; and*
- *– The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.*

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

Current Systems and Evidence Examined

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

Current systems:
Working hours are:
Administration and Production Units works from 08:00 to 18:00 with 15'x2 tea breaks and 30'x1 lunch break, 5 days a week

31 employees' attendance and payroll records from May 2018(Current month), January 2018 (non-peak month), and October 2017 (peak month) were reviewed.

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

Details:
Attendance records of employees were reviewed.
Interviews were conducted with employees and management.

Any other comments: None

Non–compliance:	
5-Description of non–compliance: ☒ NC against ETI ☒ NC against Local Law ☐ NC against customer code**:** It was noted that no time in and out records were kept for 2 watchmen employees in the facility. So, normal and overtime working hours could not be verified for these employees. **Local law and/or ETI requirement:** In accordance with the Turkish Regulation on Working Hours Related to Labor Law, No: 25425, Date: 06.04.2004, Art. 9; The employer should document the working hours of employees appropriately. *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.* **Recommended corrective action:** Please provide compliant time recording system. **Action by:** PINAR ERKAN- HR MANAGER **Timescale:** 30 days **Verification Method:** Follow Up	**Objective evidence observed:** 5- Document review and employee interview

Observation:	
Description of observation: None Observed **Local law or ETI requirement:** Not applicable **Comments:** Not applicable	**Objective evidence observed:** Not applicable

Good Examples observed:	
Description of Good Example (GE): None Observed	**Objective Evidence Observed:** Not Applicable

Working hours' analysis *Please include time e.g. hour/week/month* *(Go back to Key information)*					
Systems & Processes					
A. What timekeeping systems are used: time card etc.	Electronic finger print recording system No time in out records for 2 watchmen employees				
B: *Is sample size same as in wages section*	☒ Yes ☐ No *If No, please give details*				
C: Are standard/contracted working hours defined in **all** contracts/employment agreements?	☒ Yes ☐ No	*If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements.* Details *NA*			
D: Are there any other types of contracts/employment agreements used?	☐ Yes ☒ No	*If YES, please complete as appropriate:*			
		☐ 0 hrs	☐ Part time	☐ Variable hrs	☐ Other
		If "Other", Please define:			
		NA			
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week	☐ Yes ☒ No	*If Y please %detail hours, % and types of workers &affected and frequency* Details: NA			
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period (where the law allows)?	Please select all applicable: ☒ 1 in 7 days ☐ 2 in 14 days ☐ No If 'No', please explain:	Is this allowed by local law? ☒ Yes ☐ No			
	Maximum number of days worked without a day off (in sample):				
	6 DAYS Could not be verified for 2 watchmen employees				

Standard/Contracted Hours worked		
G: Standard working hours over 48 per week found	☐ Yes NA ☐ No	If yes, % of workers & frequency Could not be verified for 2 watchmen employees
		NA
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	☐ Yes ☐ No NA	*If YES, please give details* *NA*
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Highest OT hours:	0-40 hours/month in May 2018(Current month) 0-14 hours/month in January 2018 (non-peak month) 0-25 hours/month in October 2017 (peak month) Could not be verified for 2 watchmen employees
J: Combined hours (standard/contracted plus= total) 60 found?	☐ Yes ☒ No Could not be verified for 2 watchmen employees	
K: Approximate percentage of total workers on highest overtime hours	*___3__%* Could not be verified for 2 watchmen employees	
L: Is overtime voluntary?	☒ Yes ☐ No ☐ Conflicting Information	*Please detail evidence e.g. Wording of contract/employment agreement/handbook/worker interviews/refusal arrangements:* *Worker interviews*
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	☒ Yes ☐ No ☐ N/A – there is no legal requirement to OT premium	*Please give details of normal day overtime premium as a % of **standard** wages:* *150% for overtime in weekdays and weekends. Overtime premium for national/religious holidays is 200% (The employee gets one day salary for the related national holiday even though she/he does not work on this day. If she/he work , then additional*

		1 day salary is given to him/her; so the rate totally paid to him/her became 200% in case of doing overtime in national /religious holidays) Could not be verified for 2 watchmen employees
N: Is overtime paid at a premium?	☒ Yes ☐ No	*If yes, please describe % of workers & frequency: All employees who work overtime is paid monthly in accordance with the law.* Could not be verified for 2 watchmen employees
O: ETI Code requires a prevailing standard to give greatest worker protection. If a site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant. Multi select is possible.	☐ No ☐ Consolidated pay *(May be standard wages above minimum legal wage, with no/low overtime premium)* ☐ Collective Bargaining agreements ☐ Other	
	Please explain any checked boxes above e.g. detail of consolidated pay CBA or Other	
	NA	
P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. Multi select is possible.	☐ **Overtime is voluntary NA** ☐ Onsite Collective bargaining allows 60+ hours/week ☐ Safeguards are in place to protect worker's health and safety ☐ Site can demonstrate exceptional circumstances ☐ Other reasons (please specify)	
	Please explain any checked boxes above	
	NONE	
Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?	☐ Yes ☒ No If yes, please describe	
R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the	☐ Yes NA ☐ No	

exception rather than the rule.	

7: No Discrimination is Practiced *(Click here to return to NC–table)*
ETI 7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/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: Confirmed with management & employee interviews as well as document review in accordance with SMETA Best Practice Guidance and Local Law. No evidence against discrimination requirements of the client was found during the audit processes. Employees stated that they were paid and treated equally. **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):** Details: Personnel files Pay slips Disciplinary policy Company social compliance policy Employee interview Any other comments: NONE

A: Gender breakdown of Management + Supervisors *(Include as one combined group)*	Male: _32_% Female__68__%
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst	#: 23 Textile and industrial engineers
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?:	☐ Hiring NA ☐ Compensation ☐ access to training ☐ promotion ☐ termination or retirement

Professional Development	
A: What type of training and development are available for workers?	Please give details: Discrimination policy and procedure training are given to employees. Also, discipline rules are explained.

B: Are HR decisions on e.g. promotion, training, compensation based on objective, transparent criteria?	☒ Yes ☐ No If no, please give details: NA

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code**:** None Observed **Local law and/or ETI requirement:** Not applicable **Recommended corrective action:** Not applicable	**Objective evidence observed:** Not applicable

Observation:	
Description of observation: None Observed **Local law or ETI requirement:** Not applicable **Comments:** Not applicable	**Objective evidence observed:** Not applicable

Good Examples observed:	
Description of Good Example (GE): None Observed	**Objective Evidence Observed:** Not Applicable

8: Regular Employment Is Provided
(Click here to return to NC–table)
(Click here to return to Key Information)

ETI

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour–only contracting, sub–contracting, or home–working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed–term contracts of employment.

Additional Elements: Responsible Recruitment

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.
8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.
8.5 Employment agencies must only supply workers registered with them.
8.6 Workers pay no recruitment fee at any stage of the recruitment process.
8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

Current Systems and Evidence Examined

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

Current systems:

Employees' labour contracts were available in their personnel files.
Labour contracts were in accordance with the laws and regulations.
A copy of employment contract was given to employees.
All employees were registered to the social security.

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

Details:

Personnel files, employment contracts, social insurance records were checked.
Management & Employees' interviews.

Any other comments:

None

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code: None Observed **Local law and/or ETI requirement:** Not applicable **Recommended corrective action:** Not applicable	**Objective evidence observed:** Not applicable

Observation:	
Description of observation: None Observed **Local law or ETI requirement:** Not applicable **Comments:** Not applicable	**Objective evidence observed:** Not applicable

Good Examples observed:	
Description of Good Example (GE): None Observed	**Objective Evidence Observed:** Not Applicable

Responsible Recruitment

All Workers	
A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?	☒ Terms & Conditions presented ☒ Understood by workers ☒ Same as actual conditions If any are unchecked, please describe finding and specific category (ies) of workers affected:
B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?	☐ Yes ☒ No If Yes Please describe details and specific category (ies) of workers affected NA

C: If yes, check all that apply:	☐ Recruitment / hiring fees NA ☐ Service fees ☐ Application costs ☐ Recommendation fees ☐ Placement fees ☐ Administrative, overhead or processing fees ☐ Skills tests ☐ Certifications ☐ Medical screenings ☐ Passports/ID's ☐ Work / resident permits ☐ Birth certificates ☐ Police clearance fees ☐ Any transportation and lodging costs after employment offer ☐ Any transport costs between work place and home ☐ Any relocation costs after commencement of employment ☐ New hire training / orientation fees ☐ Medical exam fees ☐ Deposit bonds or other deposits ☐ Any other non-monetary assets ☐ Other
C: If any checked, give details:	NA

Migrant Workers: *The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national and where they do not intend to remain permanently or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity*		
A: Type of work undertaken by migrant workers:	There is no migrant employee in the facility.	
B: Migrant worker recruitment	Total number of (in country recruitment agencies) used: NA Total number of (outside of local country) recruitment agencies used NA	
C: Migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and evidence of transaction is supplied by the facility to the worker.	☐ Yes NA ☐ No Please describe finding:	Observations NA
D: Are Any migrant workers in skilled, technical, or management roles **Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)**	☐ Yes ☐ No There is no migrant employee in the facility. If Yes number and example of roles:	

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees	☐ Yes No non-employee worker is available at the facility. ☐ No
B: If yes, check all that apply:	☐ Recruitment / hiring fees NA ☐ Service fees ☐ Application costs ☐ Recommendation fees ☐ Placement fees ☐ Administrative, overhead or processing fees ☐ Skills tests ☐ Certifications ☐ Medical screenings ☐ Passports/ID's ☐ Work / resident permits ☐ Birth certificates ☐ Police clearance fees ☐ Any transportation and lodging costs after employment offer ☐ Any transport costs between work place and home ☐ Any relocation costs after commencement of employment ☐ New hire training / orientation fees ☐ Medical exam fees ☐ Deposit bonds or other deposits ☐ Any other non-monetary assets ☐ Other
C: If any checked, give details:	NA

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.)*	
A: Number of agencies used (average):	NA And names if available:
B: Were agency workers' age/pay/hours included within scope of this audit	☐ Yes ☐ No NA
C: Were sufficient documents for agency workers available for review?	☐ Yes ☐ No NA
D: Is there a legal contract / agreement with all agencies?	☐ Yes ☐ No NA Details
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	☐ Yes ☐ No Please describe: NA

Contractors: *Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include*, gang bosses, labor provider,	
A: Any contractors on site?	☒ Yes ☐ No Please describe finding: If Y, how many contractors are present There are 2 agency companies named SOFRA GIDA and EUROSERVE in the facility
B: If **Yes**, how many workers supplied by contractors	12 employees supplied by contractors
C: Do all contractor workers understand their terms of employment?	☒ Yes ☐ No Please describe finding: Copy of labour contracts were given to employees
D: If **Yes**, please give evidence for contractor workers being paid per law:	Time and payment records were reviewed for related employees

8A: Sub–Contracting and Homeworking
(Click here to return to NC–table)
(Click here to return to Key Information)

8A.1 There should be no sub–contracting unless previously agreed with the main client.
8A.2 Systems and processes should be in place to manage sub–contracting, homeworking and external processing.

Note to auditor on homeworking:
Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.
Note to auditor on subcontracting : auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers

Current Systems and Evidence Examined

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

Current systems:

There İS 1 outside subcontractor of the facility for sewing , cutting and finishing processes.

Process Subcontracted →	*Process 1- Sewing , cutting and finishing*
Name of factory →	*NARBAY TEKSTIL*
Address	*MANISA-TURKEY*

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):
If any processes are sub–contracted – please populate below boxes
Details: Document Review, Factory Tour, Management interview, Worker interview

Non–compliance:

1. Description of non–compliance:
☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code**:**

None Observed

Local law and/or ETI requirement: Not applicable

Recommended corrective action: Not applicable

Objective evidence observed:

Not applicable

Observation:

Description of observation: None Observed

Objective evidence observed:

Local law or ETI requirement: Not applicable **Comments:** Not applicable	Not applicable

Good Examples observed:	
Description of Good Example (GE): None Observed	**Objective Evidence Observed:** Not Applicable

Summary of sub–contracting – if applicable ☐ Not Applicable please x	
A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work hours or undeclared sub-contracting	☒ Yes ☐ No Please describe: All subcontractors were audited.
B: If sub–contractors are used, is there evidence this has been agreed with the main client?	☒ Yes ☐ No If **Yes**, summarise details: Audit results and reports were shared with main clients.
C: Number of sub–contractors/agents used	1
D: Is there a site policy on sub–contracting?	☒ Yes ☐ No If **Yes**, summarise details: According to the facility's policy, sub-contractors shall follow ETI Code and the facility's social compliance policy.
E: What checks are in place to ensure no child labour is being used and work is safe?	All subcontractors were audited.

Summary of homeworking – if applicable ☒ Not Applicable please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	☐ Yes ☐ No If **Yes**, summarise details: NA		
B: Number of homeworkers	Male: NA	Female: NA	Total: NA

C: Are homeworkers employed direct or through agents?	☐ Directly NA ☐ Through Agents
D: If through agents, number of agents	NA
E: Is there a site policy on homeworking?	☐ Yes ☒ No
F: How does site ensure worker hours and pay meet local laws for homeworkers?	NA
G: What processes are carried out by homeworkers?	NA
H: Do any contracts exist for homeworkers	☐ Yes ☐ No Please give details: Not Applicable
I: Are full records of homeworkers available at the site?	☐ Yes NA ☐ No

9: No Harsh or Inhumane Treatment is Allowed *(Click here to return to NC–table)*
ETI 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Additional elements: 9.2 companies should provide access to a confidential grievance mechanism for all workers

A: 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?	☒ Yes ☐ No Please describe: There are published, anonymous and/or open channels available for reporting any violations of Labour standards. The employees can report to the legal authorities. There is suggestion box, and an internal confidential email address for reporting grievances.
B: If **Yes**, are workers aware of these channels and have access? Please give details.	Workers are aware of these channels. There are published, anonymous and/or open channels available for reporting any violations of Labour standards
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Suggestion box, employee representative, open door policy
D: Is there a grievance mechanism is place for:	☒ Workers ☒ Communities ☒ Suppliers ☐ Other Details: Suggestion box, employee representative, open door policy are used for employees. Also, the facility has a hotline that is posted on their website for external communities.
E: Are there any open disputes?	☒ Yes ☐ No If yes, please give details: The facility record open disputes.
F: Does grievance mechanism meet with UNGP requirement of e.g. (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)?	☒ Yes ☐ No If no, please give details
G: Does the site \ encourage its business partners (e.g., suppliers) provide individuals and communities with access to effective grievance mechanisms (e.g., help lines or whistle blowing mechanism	☒ Yes ☐ No If No Please give details

H: Is there a published and transparent disciplinary procedure	☒ Yes ☐ No If No please explain
I: If yes, are workers aware of these the disciplinary procedure	☒ Yes ☐ No If no please give details
J: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)	☐ Yes ☒ No If Yes please give details

Current Systems and Evidence Examined

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

Current systems:

There was no evidence of any physical abuse or discipline, the threat of physical abuse, sexual or any other types of harassment or verbal abuse as well as any other forms of intimidation were not noted, as confirmed by the interviews.
Disciplinary regulation was complaint with the legal regulations.
No disciplinary action was taken.

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

Details:
Disciplinary regulation of the facility and the personnel files of the sampled employees were reviewed.
Suggestion boxes check book was checked.
Employees' interviews were conducted.
The relevant policy on prevention of harassment and abuse.
Internal grievance procedure documentation.
Training records

Any other comments: None

Non–compliance:

1. Description of non–compliance: ☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code**:** None Observed **Local law and/or ETI requirement:** Not applicable **Recommended corrective action:** Not applicable	**Objective evidence observed:** Not applicable

Observation:	
Description of observation: None Observed **Local law or ETI requirement:** Not applicable **Comments:** Not applicable	**Objective evidence observed:** Not applicable

Good Examples observed:	
Description of Good Example (GE): None Observed	**Objective Evidence Observed:** Not Applicable

10. Other Issue areas: 10A: Entitlement to Work and Immigration *(Click here to return to NC–table)*
Additional Elements 10A.1 Only workers with a legal right to work shall be employed or used by the supplier. 10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined *To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is/are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.*
Current systems: There is no migrant employee at the facility. **Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):** Details: ID copies and social security registrations of the sampled employees were reviewed Any other comments: None

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code**:** None Observed **Local law and/or ETI requirement:** Not applicable **Recommended corrective action:** Not applicable	**Objective evidence observed:** Not applicable

Observation:	
Description of observation: None Observed **Local law or ETI requirement:** Not applicable **Comments:** Not applicable	**Objective evidence observed:** Not applicable

Good Examples observed:	
Description of Good Example (GE): None Observed	**Objective Evidence Observed:** Not Applicable

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

(Click here to return to NC–table)

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

10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.
10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.
Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.

Current Systems and Evidence Examined

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

Current systems: The facility has written environmental policy stating compliance to all local regulations and international requirements.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): Environmental documents, official documents, trainings, reports were reviewed. Facility tour is conducted.

Details: None

Non–compliance:	
1. Description of non–compliance: ☐ NC against ETI ☐ NC against Local Law ☐ NC against customer code**:** None Observed **Local law and/or ETI requirement:** Not applicable **Recommended corrective action:** Not applicable	**Objective evidence observed:** Not applicable

Observation:	
Description of observation: None Observed **Local law or ETI requirement:** Not applicable **Comments:** Not applicable	**Objective evidence observed:** Not applicable

Good examples observed:	
Description of Good Example (GE): None	**Objective Evidence Observed:** Not applicable

Other Findings Outside the Scope of the Code
None

Community Benefits *(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)*
None

Appendix 1

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

0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code. 0.3 Suppliers are expected to communicate this Code to all employees. 0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.	
ETI 1. Forced Labour	**ETI 1. Forced Labour**
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.	
ETI 2. Freedom of association and the right to collective bargaining are respected	**ETI 2. Freedom of association and the right to collective bargaining are respected**
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.	
ETI 3. Working conditions are safe and hygienic	**ETI 3. Working conditions are safe and hygienic**
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.	
ETI 4. Child labour shall not be used	**ETI 4. Child labour shall not be used**
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.	
ETI 5. Living wages are paid	**ETI 5. Living wages are paid**
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.	
ETI 6. Working Hours are not excessive	**ETI 6. Working Hours are not excessive**
6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub–clauses 6.2 to 6.6 are based on international labour standards. 6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.	

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay. 6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below. 6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where **all** of the following are met: – this is allowed by national law; – this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce; – appropriate safeguards are taken to protect the workers' health and safety; and – The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies. 6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.	
ETI 7. No discrimination is practised	**ETI 7. No discrimination is practised**
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.	
ETI 8. Regular employment is provided	**ETI 8. Regular employment is provided**
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.	
8A: Sub–Contracting and Homeworking	8A: Sub–Contracting and Homeworking
8A.1 There should be no sub–contracting unless previously agreed with the main client. 8A.2 Systems and processes should be in place to manage sub–contracting, homeworking and external processing.	
ETI 9. No harsh or inhumane treatment is allowed	**ETI 9. No harsh or inhumane treatment is allowed**
9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Additional elements: 9.2 companies should provide access to a confidential grievance mechanism for all workers	
10. Other Issue areas: 10A: Entitlement to Work and Immigration	
Additional Elements 10A.1 Only workers with a legal right to work shall be employed or used by the supplier. 10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.	
10. Other issue areas 10B2: Environment 2–Pillar	

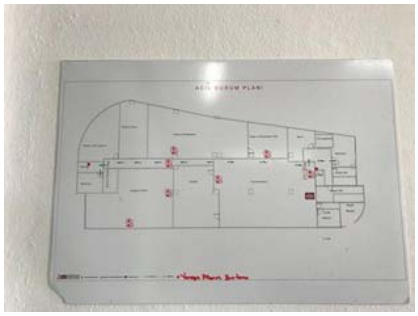
10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits. 10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. *Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.*	

SMETA Extra Sections for 4 Pillar Audit:	**SMETA Extra Sections for 4 Pillar Audit:**
Environment Section	**Environment Section**
B.4. Compliance Requirements 10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards. 10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc. 10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements 10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers. 10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes. 10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4–pillar audit report and audit checks for details). 10B4.7 Businesses shall make continuous improvements in their environmental performance. 10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation 10B4.9 Businesses should have a nominated individual responsible for co–ordinating the site's efforts to improve environmental performance. **B4. Guidance for Observations** 10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor. 10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.	
Business Practices Section	

10C. Compliance Requirements 10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice. 10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices. 10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements. 10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter. 10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice, 10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics 10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area. **10C. Guidance for Observations** 10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers. 10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented.	

Photo Form

OUTVIEW OF THE FACILITY BUILDING NO:12	OUTVIEW OF THE FACILITY BUILDING NO:8	LUNCH HALL

TOILET	FIRE EXTINGUISHER	FIRE ALARM BUTTON
		
FIRE HOSE	EMERGENCY EXIT DOOR	EVACUATION PLAN

FIRST AID BOX	EMERGENCY EXIT DOOR	DR ROOM

SUGGESTION BOX	PPE	TIME RECORDING SYSTEM

SEWING MACHINE WITH EYE GUARD	POTABLE WATER	ELECTRICAL PANNEL

PRODUCTION AREA	PRODUCTION AREA	PRODUCTION AREA

PRODUCTION AREA	PRODUCTION AREA	WAREHOUSE

DISCLAIMER:
"This report is for the exclusive use of the client of Intertek named in this report ("**Client**") and is provided pursuant to an agreement for services between Intertek and Client ("**Client Agreement**"). This report provides a summary of the findings and other applicable information found/gathered during the audit conducted at the specified facilities on the specified date only. Therefore, this report does not cover, and Intertek accepts no responsibility for, other locations that may be used in the supply chain of the relevant product or service. Further, as the audit process used by Intertek is a sampling exercise only, Intertek accepts no responsibility for any non-compliant issues that may be revealed relating to the operations of the identified facility at any other date. Intertek's responsibility and liability are also limited in accordance to the terms and conditions of the Client Agreement. Intertek assumes no liability to any party, for any loss, expense or damage occasioned by the use of this information other than to the Client and in accordance with the Client Agreement and these disclaimers. The disclaimer should be read in conjunction with the Terms and Conditions of Intertek."

End of report.

Sedex

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

Click here for Buyer (A) & Buyer/Supplier (A/B) members:
http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d

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

SMETA Corrective Action Plan Report (CAPR)

Version 6.0

Audit Details			
Sedex Company Reference: *(only available on Sedex System)*	Firma Sedex sistemine üye değildir/ Facility is not member to the Sedex system	Sedex Site Reference: *(only available on Sedex System)*	Firma Sedex sistemine üye değildir/ Facility is not member to the Sedex system
Business name (Company name):	NARKONTEKS TEKSTIL IHR. ITH. SAN. VE TIC. A.S.		
Site name:	NARKONTEKS TEKSTIL IHR. ITH. SAN. VE TIC. A.S.		
Site address: *(Please include full address)*	DOGUS CAD. 3-19 NO: 12 BUCA / IZMIR	Country:	TURKIYE / TURKEY
Site contact and job title:	PINAR ERKAN – IK MUDURU / HR MANAGER		
Site phone:	0090 232 440 86 86	Site e–mail:	pinarerkan@narkonteks.com
SMETA Audit Type:	☒ Labour Standards	☒ Health & Safety	☐ Environment ☐ Business Ethics
Date of Audit:	27-28-29.06.2018		

Audit Company Name & Logo:	Report Owner (payee):
intertek Total Quality. Assured.	NARKONTEKS TEKSTIL IHR. ITH. SAN. VE TIC. A.S.

Audit Conducted By					
Commercial	☒	Purchaser	☐	Trade Union	☐
NGO	☐	Retailer	☐	Brand Owner	☐
Multi–stakeholder	☐	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health and Safety, Environment and Business ethics. The SMETA Best Practice Guidance Version 5 December 2015 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 SMEIA Methodology are stated (with reasons for deviation) in the SMt IA Declaration.

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

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
  - Management systems and code implementation,
  - Entitlement to Work & Immigration,
  - Sub-Contracting and Home working,

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

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

Any exceptions to this must be recorded here (e.g. different sample size): The audit is combined with BSCI social compliance audit.

Auditor Team (s) (please list all including all interviewers):
Lead auditor: FATMA ARLI
Team auditor: SEVAN CIMEN
Interviewers: FATMA ARLI, SEVAN CIMEN

Report writer: FATMA ARLI
Report reviewer:

Date of declaration: 27-28-29.06.2018

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

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

Audit Parameters

Audit Parameters			
A: Time in and time out	Day 1 Time in: 09:00 Day 1 Time out: 17:00	Day 2 Time in: 09:00 Day 2 Time out: 17:00	Day 3 Time in: 09:00 Day 3 Time out: 14:00
B: Number of Auditor Days Used:	3 gün x 2 denetçi 3 days x 2 auditors		
C: Audit type:	☒ Full Initial ☐ Periodic ☐ Full Follow–up ☐ Partial Follow–Up ☐ Partial Other – Define		
D: Was the audit announced?	☒ Announced ☐ Semi – announced: ☐ Unannounced		
E: Was the Sedex SAQ available for review?	☐ Yes ☒ No If **No**, why not : Firma Sedex sistemine üye değildir/ Facility is not member to the Sedex system		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	☐ Yes NA ☐ No If **Yes**, please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR *(Name and job title)*	PINAR ERKAN – IK MUDURU / HR MANAGER		
Is further information available *(if Yes please contact audit company for details)*	☐ Yes ☒ No		
H: Previous audit date:	27.2.2017		
I: Previous audit type:	PERIODIC		
Was any previous audit reviewed during this audit	☐ Yes ☒ No		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	☒ Yes ☐ No	☐ Yes ☒ No	☐ Yes ☒ No
B: Present at the audit?	☒ Yes ☐ No	☒ Yes ☐ No	☐ Yes ☒ No
C: Present at the closing meeting?	☒ Yes ☐ No	☐ Yes ☒ No	☐ Yes ☒ No

D: If Worker Representatives were not present please explain reasons why *(only complete if no worker reps present)*	İşletmede 4 çalışan temsilcisi bulunmaktadır. Çalışan temsilcilerinden 2'si çalışan görüşmelerine dahil edilmiştir. / There are 4 worker represnetatives in the facility. Two of the representatives are interviewed.
E: If Union Representatives were not present please explain reasons why: *(only complete if no union reps present)*	Sendika bulunmamaktadır / There is no union.

Guidance:

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

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

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

Root cause (see column 4)

Note: it is not mandatory to complete this column at this time.

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

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

Next Steps:

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

Corrective Action Plan

Corrective Action Plan – non-compliances									
Non-Compliance Number *The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7*	**New or Carried Over** *Is this a new non-compliance identified at the follow-up or one carried over (C) that is still outstanding*	**Details of Non-Compliance** *Details of Non-Compliance*	**Root cause** *(completed by the site)*	**Preventative and Corrective Actions** *Details of actions to be taken to clear non-compliance, and the system change to prevent re-occurrence (agreed between site and auditor)*	***Timescale*** *(Immediate, 30, 60, 90,180,365)*	**Verification Method** *Desktop / Follow-Up [D/F]*	**Agreed by Management and Name of Responsible Person:** *Note if management agree to the non-compliance, and document name of responsible person*	**Verification Evidence and Comments** *Details on corrective action evidence*	**Status** *Open/Closed or comment*
SAĞLIK VE GÜVENLIK NO:3 YK,ETI #1	YENI	İşletmede 2 adet kadın soyunma odasında ikinci acil çıkış bulunmamakatdır. Buna ilaveten, acil çıkış kapıları içeri doğru açılmıştır tanımsız ve ışıklandırılmamıştır	☐ Training ☒ Systems ☐ Costs ☐ lack of workers ☐ Other – please give details:	Lütfen tüm acil çıkış kapılarının mevzuata uygun şekilde oluşturulduğundan emin olunuz.	365 GUN/DAYS	TAKIP DENETIMI	EVET / PINAR ERKAN		
SAFETY AND HYGIENIC CONDITIONS NO:3 LL,ETI #1	NEW	It was noted that there was no secondary emergency exit door in 2 female dressing rooms. In addition, that emergency exit doors were opening inward, not marked and not illuminated in 2 female dressing rooms.		It is recommended to ensure that all emergency exit doors are properly regulated.		FOLLOW UP AUDIT	YES / PINAR ERKAN		
SAĞLIK VE GÜVENLIK NO:3 YK,ETI #2	YENI	İşletmede No:8 kumaş depo bölümünde elektrik topraklama ölçümü yetkili personel tarafından	☐ Training ☒ Systems ☐ Costs ☐ lack of workers	Lütfen uygun yetkinlik belgesini sağlayınız.	180 GUN/DAYS	MASAUSTU	EVET / PINAR ERKAN		

		yapılmamıştır. Kişinin topraklama yetkinlik belgesi yoktur	☐ Other – please give details:						
SAFETY AND HYGIENIC CONDITIONS NO:3 LL, ETI #2	NEW	It was noted that electricity grounding measurements was not conducted by authorised person for No:8 fabric warehouse building. The person has no grounding competence certificate.		It is recommended to provide competence certificate.		DESKTOP	YES / PINAR ERKAN		
ODEMELER VE HAKLAR NO:5 YK, ETI #3	YENI	İşletmede kreş veya kreş sözleşmesi bulunmamaktadır	☐ Training ☒ Systems ☐ Costs ☐ lack of workers ☐ Other – please give details:	Lütfen kreş ya da kreş sözleşmesi sağlayınız.	365 GUN/DAYS	TAKIP DENETIMI	EVET / PINAR ERKAN		
WAGE AND BENEFITS NO:5 LL, ETI #3	NEW	It was noted that there was no child care room / creche contract was not available in the facility		It is recommended to provide creche or creche contract.		FOLLOW UP AUDIT	YES / PINAR ERKAN		
ODEMELER VE HAKLAR NO:5 YK, ETI #4	YENI	İşletmede 2 bekçinin zaman giriş çıkış kayıtları tutulmamaktadır. Bu yüzden normal ve fazla mesai çalışma saatleri ve ödemeleri kayıtlardan doğrulanamamıştır.	☐ Training ☒ Systems ☐ Costs ☐ lack of workers ☐ Other – please give details:	Lütfen uygun zaman kayıt sistemini sağlayınız.	30 GUN/DAYS	TAKIP DENETIMI	EVET / PINAR ERKAN		
WAGE AND BENEFITS NO:5 LL, ETI #4	NEW	It was noted that no time in and out records were kept for 2 watchmen employees in the facility. So, overtime working practices and		Please provide compliant time recording system.		FOLLOW UP AUDIT	YES / PINAR ERKAN		

		payments could not be verified for these employees.							
CALISMA SAATLERI NO: 6 YK, ETI #5	YENI	İşletmede 2 bekçinin zaman giriş çıkış kayıtları tutulmamaktadır. Bu yüzden fazla mesai çalışma saatleri kayıtlardan doğrulanamamıştır.	☐ Training ☒ Systems ☐ Costs ☐ lack of workers ☐ Other – please give details:	Lütfen uygun zaman kayıt sistemini sağlayınız.	30 GUN/DAYS	TAKIP DENETIMI	EVET / PINAR ERKAN		
WORKING HOURS NO: 6 LL, ETI #5	NEW	It was noted that no time in and out records were kept for 2 watchmen employees in the facility. So, normal and overtime working hours could not be verified for these employees.		Please provide compliant time recording system.		FOLLOW UP AUDIT	YES / PINAR ERKAN		

Corrective Action Plan – Observations				
Observation Number *The reference number of the observation from the Audit Report, for example, Discrimination No.7*	**New or Carried Over** *Is this a new observation identified at the follow-up or one carried over (C) that is still outstanding*	**Details of Observation** *Details of Observation*	**Root cause** *(completed by the site)*	**Any improvement actions discussed** *(Not uploaded on to SEDEX)*
EVRENSEL HAKLAR 0.A.3 #1 UNIVERSAL RIGHTS COVERING UNGP 0.A.3 #1	YENİ NEW	İşletmede tedarikçi haritalandırma yapılmamıştır Supplier mapping was not conducted in the facility		Lütfen tüm tedarikçilerinizi içeren bir haritalama yapınız. Please map your all suppliers.

Good examples		
Good example Number *The reference number of the non-compliance from the Audit Report, for example, Discrimination No.7*	**Details of good example noted**	**Any relevant Evidence and Comments**
ODEMELER VE HAKLAR NO:5 #1	İşletmede tüm çalışanlara ücretsiz olarak yemek ve servis sağlanmaktadır.	Döküman İncelemesi, Çalışan Görüşmesi ve Yönetim Görüşmesi
WAGES AND BENEFITS NO:5 #1	Meal and transportation is provided free of charge to all employees at the facility.	Document Review, Employee Interview and Management Interview

Confirmation

Please sign this document confirming that the above findings have been discussed with and understood by you: (site management) *If actual signatures are not possible in electronic versions, please state the name of the signatory in applicable boxes, as indicating the signature.*		
A: Site Representative Signature:	PINAR ERKAN NARİN TEKSTİL İHR.İTH.SAN. ve TİC.A.Ş. Bucа Ege Giyim Organize Sanayi Bölgesi Doğuş Cad. 3-19 No:12 Bucа-İZMİR Tel: 0 232 440 86 86 Fax : 0 232 440 41 51 Sirinyer VD : 6290464135	Title IK MUDURU / HR MANAGER Date 27-28-29.06.2018
B: Auditor Signature:	FATMA ARLI SEVAN CIMEN	Title BAS DENETCI / LEAD AUDITOR TAKIM DENETCISI / TEAM AUDITOR Date 27-28-29.06.2018
C: Please indicate below if you, the site management, dispute any of the findings. No need to complete D-E, if no disputes.		
D: *I dispute the following numbered non-compliances:* YOKTUR / NONE		
E: Signed: *(If any entry in box D, please complete a signature on this line)*	NA	Title Date
F: Any other site Comments: YOKTUR / NONE		

Guidance on Root Cause

Explanation of the Root Cause Column

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

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

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

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

Some examples of finding a "root cause"

Example 1
Where excessive hours have been noted the real reason for these needs to be understood, whether due to production planning, bottle necks in the operation, insufficient training of operators, delays in receiving trims, etc.

Example 2
A non-compliance may be found where workers are not using PPE that has been provided to them. This could be the result of insufficient training for workers to understand the need for its use; a lack of follow-up by supervisors aligned to a proper set of factory rules or the fact that workers feel their productivity (and thus potential earnings) is affected by use of items such as metal gloves.

Example 3
A site uses fines to control unacceptable behaviour of workers.

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

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

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

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

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

Disclaimer

Any proposed Corrective Action Plan (CAP) closed utilizing a Desktop Review is limited by the evidential documentation provided by the facility in order to correct the non-compliance. The intent of this service is to provide assurance that the facility is on the correct path with its proposed or completed corrective actions. Intertek cannot be held responsible for the falsification of evidence or the effective implementation of the proposed corrective actions, which in many instances may only be truly validated by an onsite Audit visit owing to the limitations of the desktop review process. The facilities shall be wholly responsible for the correct and effective implementation of their proposed CAP.

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

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