

Auditee :	Denson Ltd.
Audit Date From :	05/09/2017
Audit Date To :	05/09/2017
Expiry Date of the Audit :	Please refer to the producer profile in the BSCI platform
Auditing Company :	Intertek
Auditor's Name(s) :	Gergana Georgieva(Lead)
Auditing Branch (if applicable) :	Intertek Bulgaria



BSCI Audit Summary Report

This is an extract of the on line Audit Report. The complete report is available in the BSCI Platform.
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Rating Definitions


Rating	A combination of ratings per performance area where:	Consequence																																										
A OUTSTANDING	- o Minimum 7 performance area rated A - o No Performance area rated C, D or E These are three examples: <table><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td></tr><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td></tr><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td></tr></table>	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	A	B	B	B	A	A	A	A	A	A	A	A	B	B	B	B	B	B	The auditee has the level of maturity to maintain its improvement process without needing follow-up audit.
A	A	A	A	A	A	A	A	A	A	A	A	A	A																															
A	A	A	A	A	A	A	A	A	A	A	B	B	B																															
A	A	A	A	A	A	A	A	B	B	B	B	B	B																															
B GOOD	- o Maximum 3 performance area rated C - o No performance area rated D or E These are three examples: <table><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td></tr><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td></tr><tr><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td></tr></table>	A	A	A	A	A	A	B	B	B	B	B	B	B	B	A	A	A	A	A	B	B	B	B	B	B	B	B	C	B	B	B	B	B	B	B	B	B	B	B	C	C	C	The auditee has the level of maturity to maintain its improvement process without needing follow-up audit.
A	A	A	A	A	A	B	B	B	B	B	B	B	B																															
A	A	A	A	A	B	B	B	B	B	B	B	B	C																															
B	B	B	B	B	B	B	B	B	B	B	C	C	C																															
C ACCEPTABLE	- o Maximum 2 performance areas rated D - o No performance area rated E These are three examples: <table><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td></tr><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td><td>C</td><td>D</td></tr><tr><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>C</td><td>D</td><td>D</td></tr></table>	A	A	A	A	A	A	A	A	A	C	C	C	C	C	A	A	A	A	A	B	B	B	B	C	C	C	C	D	C	C	C	C	C	C	C	C	C	C	C	C	D	D	The auditee needs follow up on its progress. The auditee develops a remediation plan within 60 days following the completion of the audit.
A	A	A	A	A	A	A	A	A	C	C	C	C	C																															
A	A	A	A	A	B	B	B	B	C	C	C	C	D																															
C	C	C	C	C	C	C	C	C	C	C	C	D	D																															
D INSUFFICIENT	o Maximum 6 performance area rated E These are three examples: <table><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>D</td><td>D</td><td>D</td><td>D</td></tr><tr><td>A</td><td>A</td><td>A</td><td>B</td><td>B</td><td>B</td><td>C</td><td>C</td><td>C</td><td>D</td><td>D</td><td>D</td><td>D</td><td>E</td></tr><tr><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>D</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr></table>	A	A	A	A	A	A	A	A	A	A	D	D	D	D	A	A	A	B	B	B	C	C	C	D	D	D	D	E	D	D	D	D	D	D	D	D	E	E	E	E	E	E	The auditee needs follow up on its progress. The auditee develops a remediation plan within 60 days following the completion of the audit.
A	A	A	A	A	A	A	A	A	A	D	D	D	D																															
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D	D	D	D	D	D	D	D	E	E	E	E	E	E																															
E UNACCEPTABLE	o Minimum 7 performance areas rated E These are three examples: <table><tr><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>A</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr><tr><td>A</td><td>A</td><td>B</td><td>B</td><td>C</td><td>D</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr><tr><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td><td>E</td></tr></table>	A	A	A	A	A	A	E	E	E	E	E	E	E	E	A	A	B	B	C	D	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	E	BSCI participants shall closely oversee the auditee's progress as it may represent a higher risk than other business partners
A	A	A	A	A	A	E	E	E	E	E	E	E	E																															
A	A	B	B	C	D	E	E	E	E	E	E	E	E																															
E	E	E	E	E	E	E	E	E	E	E	E	E	E																															
Zero Tolerance	A Zero Tolerance issue was identified (see Annex 5)	Immediate actions are required. The BSCI Zero Tolerance Protocol is to be followed.																																										

Main Auditee Information

Name of producer :	Denson Ltd.		
DBID number :	371831		
Audit ID :	107681		
Address :	70 D Tsar Simeon Str. Petrich		
Province :	Oblast Blagoevgrad	Country :	Bulgaria
Management Representative :	Vesela Stoikova		
Contact person:	Vesela Stoikova	Sector :	Non-Food
Industry Type :	Textiles, clothing, leather	Product group :	Footwear (including sport shoes)
Product Type :	Knitwear and accessories for men,women and children		

Audit Details


Audit Range :	☒ Full Audit ☐ Follow-up Audit		
Audit Scope :	☒ Main Auditee ☐ Main Auditee & Farms		
Audit Environment :	☒ Industrial ☐ Agricultural		
Audit Announcement :	☒ Fully-Announced ☐ Fully-Unannounced ☐ Semi-Announced		
Random Unannounced Check (RUC) :	No		
Audit extent (if applicable) :	none		
Audit interferences or contingencies (if applicable) :	none		
Overall rating :	B		
Need of follow-up :		If YES, by :	

Rating per Performance Area (PA)

PA 1	PA 2	PA 3	PA 4	PA 5	PA 6	PA 7	PA 8	PA 9	PA 10	PA 11	PA 12	PA 13
C	A	A	A	A	A	A	A	A	A	A	B	A

Executive summary of audit report

DENSON EOOD (PLTD.) is a privately owned company that has been originally established in December 2016 and begun production in January 2017. Company's premises are located at 70 D Tsar Simeon Str., Petrich, Bulgaria.

Company occupies one single story building, a total of 1289 sq.m., concrete and metal construction.

The audit has been conducted by one auditor in 1 day onsite (a total of 1.5 audit days, reporting time included). As part of the audit process an opening meeting, site tour, documentation review, workers' interviews and closing meeting were conducted.

Management of the factory was open and transparent. Full access was allowed to all areas, requested documents and records were provided in timely manner. Private area was provided for the workers' interviews.

During the audit, factory's management demonstrated dedicated approach to complying with BSCI requirements, they were well prepared for the audit and the management system was found well-functioning, based on well-developed policies, procedures and designated responsible people, following their assigned responsibilities. The following PAs have been rated A, considering:

PA2 - Workers Involvement and Protection – facility has translated and communicated the BSCI Code of Conduct among its workers and has trained the managers on its' provisions; has established and operates an effective grievance mechanism, as confirmed during the document review and workers interviews.

PA3 - Rights of Freedom of Association and Collective Bargaining - facility has demonstrated well -functioning management system and rights of freedom of association and collective bargaining are not restricted by management. There was no evidence that workers are discriminated against their union membership (or not). There is a Trade Union at the facility and all workers are members of it.

PA4 - No Discrimination - there were no discriminatory practices observed or reported during the audit. Evidence suggests that the implemented management system is capable to protect from any forms of discrimination.

PA5 - Fair Remuneration - facility demonstrated compliance with local law, workers receive their wages in a timely manner, all are above local law and decent wage calculation. All workers receive payslips, legal benefits are provided. No illegal deductions were noted or reported during the audit.

PA6 - Decent Working Hours – No overtime was noted in sample. Facility has a well developed production schedule. Overtime policy is in line with local law and BSCI requirements, stating that no more than 48 working hours per week are allowed and overtime is to voluntary and registered.

PA8 - No Child Labour - Age verification is part of the hiring process, legal documents are checked by HR. No evidence or report for child labor was found during the audit. Factory has policy on child labor, including a remedial procedure.

PA9 - Special protection for young workers - generally there are no young workers hired by factory, there is no such practice. Factory's management demonstrated very good awareness of the local law BSCI Code protection for young workers. Grievance mechanism and OHS Training are available for all workers, including for young workers, if such are hired in the future. No night shifts in the factory and management is aware these are not applicable for young workers.

PA10 - No Precarious Employment - official labor contracts are available for the workers. Contracts meet the requirements of local law and are made on permanent basis. Temporary contracts were not found to be used with the intention to replace full time jobs.

PA11 - No Bonded Labour – No evidence was found or reported during the audit for any form of servitude, forced, bonded, indentured, trafficked or non-voluntary labour. During the interviews workers shared there were no similar practices in the factory, all are hired based on their own will and they can terminate the contract freely and with legally required notification. Workers are free to move in the workplace, go for breaks, toilet, water. They also confirm that they feel free and are leaving their working places once the working hours are over. No evidence for punishment, harassment and/ or abuse was found or

reported during the audit. Workers confirmed they are respected and treated in a fair manner.

PA13 - Ethical Business Behaviour – The audited factory has Policy on Anti- Corruption and designated procedure in case corruption is found/reported. Last training on Ethical Business behavior for workers and for supervisors was conducted on 03.08.2017. During the audit, the facility demonstrated transparency and willingness to share the required information with the Auditor. Audited factory operates with personal information of the workers, which is protected, as required under the personal data protection local law.

Responsibilities for the aspects of social compliance are allocated. The social management system needs further development in the areas of: Social Management System and Cascade Effect, Occupational Health and Safety, and Protection of the Environment.

Management is committed to achieve full compliance with the requirements. All findings, corrective actions and deadlines were discussed and agreed on during the closing meeting.

*Remark: As the facility established in December 2016 and begun production in January 2017, in Data evidence, production activity, the months of September, October, November and December, were noted as medium, based on estimated projection and considering there were no activities in those months in 2016.

Ratings Summary


Auditee's background information			
Auditee's name :	Denson Ltd.	Legal status :	EOOD (Private LTD.)
Local Name :	Денсон ЕООД	Year in which the auditee was founded :	2016
Address :	70 D Tsar Simeon Str.	Contact person (please select) :	Vesela Stoikova
Province :	Oblast Blagoevgrad	Contact's Email :	denson.pltd@gmail.com
City :	Petrich	Auditee's official language(s) for written communications :	Bulgarian, English
Region :	Europe	Other relevant languages for the auditee :	Greek
Country :	Bulgaria	Website of auditee (if applicable) :	N/a
GPS coordinates :	41.24.14, 23.11.45	Total turnover (in Euros) :	1533875.00
Sector :	Non-Food	Of which exports % :	100.00
Industry :	Textiles, clothing, leather	Of which domestic market % :	0.00
If other, please specify :	N/a	Production volume :	100000
Product Group :	Footwear (including sport shoes)	Production cost calculation :	Yes
If other, please specify :	N/a	Lost time injury calculation cost :	Yes
Product Type :	Knitwear and accessories for men,women and children		

Auditee's employment structure at the time of the audit		
Total number of workers :	28	Total number of workers in the production unit to be monitored (if applicable) : 0
	MALE WORKERS	FEMALE WORKERS
Permanent workers	1	26
Temporary workers	0	0
In management positions	0	1
Apprentices	0	0
On probation	0	0
With disabilities	0	0
Migrants (national citizens)	0	0
Migrants (foreign citizens)	0	0
Workers on the permanent payroll	1	26
Production based workers	0	0
With shifts at night	0	0
Unionised	0	0
Pregnant	-	0
On maternity leave	-	0

Finding Report

Performance Area 1 : Social Management System and Cascade Effect

Full Audit [Audit Id - 107681] Audit Date: 05/09/2017 PA Score: C

Deadline date:30/10/2017

GOOD PRACTICES:
AREAS OF IMPROVEMENT:

Based on satisfactory evidence, the main auditee partially respects this principle (Performance Area 1 Social Management System and Cascade Effect) because:

Въз основа на удовлетворителни доказателства, одитираният частично уважава този принцип (Зона на представяне: 1 Система за управление на социалната отговорност и Каскаден ефект), защото:

- 1.1 -** An effective management system to implement the BSCI Code of conduct has been partially implemented as the level of alignment of the significant business partners with the Code has not been monitored. Therefore the auditor selected rating "Partially".
 Ефективна система за управление за изпълнението на Кодекса на BSCI е изпълнена частично, тъй като нивото на привеждане в съответствие на значителните бизнес партньори с Кодекса не е наблюдавано. Затова одиторът избра рейтинг "Частично".
- 1.3 -** The significant business partners have been identified. Still no evidence was presented that their level of alignment with the BSCI Code of Conduct has been monitored. Therefore the auditor selected to rate this question "Partially".
 Значителните бизнес партньори са идентифицирани. Не бяха представени доказателства, че се наблюдава степента им на прилагане на Кодекса на BSCI. Затова одиторът избра рейтинг "Частично".

Remarks from Auditee:
Performance Area 2 : Workers Involvement and Protection

Full Audit [Audit Id - 107681] Audit Date: 05/09/2017 PA Score: A

Deadline date:

GOOD PRACTICES:
AREAS OF IMPROVEMENT:
Remarks from Auditee:
Performance Area 3 : The rights of Freedom of Association and Collective Bargaining

Full Audit [Audit Id - 107681] Audit Date: 05/09/2017 PA Score: A

Deadline date:

GOOD PRACTICES:
AREAS OF IMPROVEMENT:
Remarks from Auditee:
Performance Area 4 : No Discrimination

Full Audit [Audit Id - 107681] Audit Date: 05/09/2017 PA Score: A

Deadline date:

GOOD PRACTICES:
AREAS OF IMPROVEMENT:
Remarks from Auditee:
Performance Area 5 : Fair Remuneration

Full Audit [Audit Id - 107681] Audit Date: 05/09/2017 PA Score: A

Deadline date:

GOOD PRACTICES:
AREAS OF IMPROVEMENT:
Remarks from Auditee:

Performance Area 6 : Decent Working Hours	
Full Audit [Audit Id - 107681] Audit Date: 05/09/2017 PA Score: A	Deadline date:
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
Remarks from Auditee:	
Performance Area 7 : Occupational Health and Safety	
Full Audit [Audit Id - 107681] Audit Date: 05/09/2017 PA Score: A	Deadline date:15/09/2017
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
Based on satisfactory evidence, the main auditee partially respects this principle (Performance Area 7: Occupational Health and Safety) because: - The worker at the buttons machine did not pass training on PPE usage. Въз основа на удовлетворителни доказателства, одитираният частично уважава този принцип (Зона на представяне 7: Здраве и безопасност (ЗБУТ), защото: - Няма проведено обучение на работещия на машината за поставяне на копчета по използване на ЛПС. 7.1 - As seen from the observations listed below, there is no satisfactory evidence that the auditee fully observes all applicable occupational health and safety regulations, because the worker at the buttons machine did not pass training on PPE usage. and is not informed on the specific health risks and the necessary protocols she need to follow to overcome them. Therefore the auditor selected rating "Partially". Както се вижда от наблюденията по-долу, няма удовлетворителни доказателства, че одитираният изцяло спазва всички приложими разпоредби за здравословни и безопасни условия на труд, тъй като работничката на машината за копчета не е преминала обучение по използването на ЛПС. и не е запозната със специфичните рискове за здравето и необходимите протоколи, които трябва да следва, за да ги преодолее. Ето защо одиторът избира рейтинг "Частично". 7.5 - The worker at the buttons machine did not pass training on PPE usage. As required by Bulgarian Ordinance № DV 07-2 of 16 December 2009 on the conditions and procedure for conducting periodical training and instruction for employees in the rules for ensuring HEALTH AND SAFETY AT WORK - art. 10 Art. 10. (1) Instruction on health and safety at work aims to give employees guidance on the safe performance of work , and to introduce them to specific conditions. (2) Instruction on safety and health at work is conducted : 1. on recruitment ; 2 . transfer to another job or a job change ; 3 . when introducing new or changing work equipment and technology ; 4 . periodically to maintain and supplement the knowledge of the employees on safety and health at work, and by subchapter 7.5: The auditee shall regularly provide OHS trainings to ensure workers understand the rules of work, personal protection and measures for preventing and reacting to accidents. As other health and safety related trainings are conducted the auditor selected rating "Partially". Няма проведено обучение на работещия на машината за поставяне на копчета по използване на ЛПС. Както се изисква от Наредба № РД-07-2 от 16.12.2009 г. за условията и реда за провеждането на периодично обучение и инструктаж на работниците и служителите по правилата за осигуряване на здравословни и безопасни условия на труд, Чл. 10. (1) Инструктажът по безопасност и здраве при работа има за цел да даде на работниците и служителите практически указания за безопасно изпълнение на трудовата дейност, както и да ги запознае с конкретните условия на работа. (2) Инструктажът по безопасност и здраве при работа се провежда: 1. при постъпване на работа; 2. при преместване на друга работа или промяна на работата; 3. при въвеждане на ново или при промяна на работно оборудване и технология; 4. периодично за поддържане и допълване на знанията на работещите по безопасност и здраве при работа. и от подкатегория 7.5: одитираният редовно осигурява обучение по безопасност и здраве при работа, за да гарантира, че работниците разбират правилата на работа, личната защита и мерките за предотвратяване и реагиране при произшествия. Тъй като редовно се провеждат други обучения, свързани със здравето и безопасността, одиторът избира рейтинг "Частично".	
Remarks from Auditee:	
Performance Area 8 : No Child Labour	
Full Audit [Audit Id - 107681] Audit Date: 05/09/2017 PA Score: A	Deadline date:
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
Remarks from Auditee:	
Performance Area 9 : Special protection for young workers	
Full Audit [Audit Id - 107681] Audit Date: 05/09/2017 PA Score: A	Deadline date:
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
Remarks from Auditee:	

Performance Area 10 : No Precarious Employment	
Full Audit [Audit Id - 107681] Audit Date: 05/09/2017 PA Score: A	Deadline date:
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
Remarks from Auditee:	
Performance Area 11 : No Bonded Labour	
Full Audit [Audit Id - 107681] Audit Date: 05/09/2017 PA Score: A	Deadline date:
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
Remarks from Auditee:	
Performance Area 12 : Protection of the Environment	
Full Audit [Audit Id - 107681] Audit Date: 05/09/2017 PA Score: B	Deadline date:30/10/2017
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
Based on satisfactory evidence, the main auditee partially respects this principle (Performance Area 12 Protection of the Environment) because: Въз основа на задоволителни доказателства, одитираният частично уважава този принцип (Зона на представяне 12: Защита на околната среда), защото: 12.1 - The significant impacts and environmental implications associated to the activity are not documented. As required by subchapter 12.1: there should be a satisfactory evidence that the auditee continuously identifies the significant impacts and environmental implications associated to its activity. Therefore the auditor decided to select the rating "No". Не са документирани съществени въздействия на дейността върху околната среда. Както се изисква от подкатегория 12.1: трябва да има задоволително доказателство, че одитираната фабрика непрекъснато идентифицира значителните въздействия и последиците върху околната среда, свързани с дейността си. Затова одиторът избира рейтинг "Не".	
Remarks from Auditee:	
Performance Area 13 : Ethical Business Behaviour	
Full Audit [Audit Id - 107681] Audit Date: 05/09/2017 PA Score: A	Deadline date:
GOOD PRACTICES:	
AREAS OF IMPROVEMENT:	
Remarks from Auditee:	

Summary

Audit Type	Date	Audit Id	PA1	PA2	PA3	PA4	PA5	PA6	PA7	PA8	PA9	PA10	PA11	PA12	PA13	Overall Rating
Full Audit	05/09/2017	107681	C	A	A	A	A	A	A	A	A	A	A	B	A	B

Producer Photos



External photo(s) of the production unit(s)
building.JPG



Photo of fire safety equipment
extinguishers.JPG



Photo of the code of conduct on display
Poted CoC.JPG



Photo first aid facilities
FA kit.JPG



Photo of fire safety equipment
hydrant.JPG



Photo of the inside of the main production hall
production hall.JPG



Photo of fire safety equipment
alarm.JPG



Photo of the canteen (if applicable)
canteen.JPG



Photo of the sanitary facilities
lavatory.JPG