

# **BUSINESS ETHICS** FIELD AUDIT REPORT

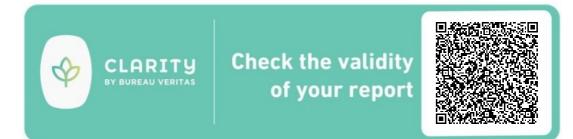


## Site: E.MIROGLIO EAD - Clarity

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Completed By : Rayna ZLATAROVA Completed On : 14/02/2025



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#### SECTION RELEVANCY FOR YOUR ENTITY AND OPERATION

#### Choices of Assignees on what sections should be evaluated depending on their justifications (Comments and Documents shared).

Section Name	Response	Comment
Data Confidentiality & Privacy	Relevant	

#### Practice in Place

	Score (Percentage)	Number of Required Practice Nonconformity*	Total Number of Nonconformity Practices
1. Governance	100.00 %	0	0
2. Sustainability Reporting	93.18 %	0	0
3. Anti-bribery	83.45 %	0	1
4. Ethical Business Conduct	97.78 %	0	0
5. Data Confidentiality & Privacy	100.00 %	0	0
Total	94.88 %	0	1

#### Audit Summary

Audit Summary (to be written after completing the below checklist) E. Miroglio, a prominent player in the textile industry, is deeply committed to ethical business practices and sustainability. The company operates under a comprehensive Code of Ethics that emphasizes principles such as legality, equality, impartiality, transparency, professionalism, and environmental responsibility. This code serves as a guiding framework for all employees and stakeholders, ensuring that operations are conducted with integrity and respect for both people and the environment.

In line with its dedication to environmental stewardship, E. Miroglio has implemented measures to reduce its ecological footprint. The company has committed to eliminating harmful substances from its production processes, including the 11 priority groups identified by Greenpeace. This initiative reflects E. Miroglio's proactive approach to sustainability and its responsibility towards the environment.

Furthermore, E. Miroglio places a strong emphasis on social responsibility. The company ensures that its employees work in safe and healthy environments, fostering a culture of mutual respect and ethics. By maintaining full control over its production cycle and sourcing 95% of its fabrics from factories located in Europe, E. Miroglio upholds high standards of quality and ethical labor practices.

Through these comprehensive efforts, E. Miroglio demonstrates a steadfast commitment to ethical conduct, environmental sustainability, and social responsibility, solidifying its reputation as a responsible leader in the textile industry.

Nonconformity Action Plan Contact ( Please put NA if no NCs are raised )

Contact Name NA

Contact Email NA

**Contact Phone Number** 





## **CLARITY BUSINESS ETHICS AUDIT CHECKLIST**

#### 1. Governance

		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.1.1	Does the organisation have policies or a Code of Conduct that cover the following Business Ethics topics? ("Yes" for all, "Partially" for some, "No" for none)	Yes	The organisation has Anti-Bribery policy and Code of Conduct			It is generally accepted that a collaborative approach between all divisions of the organisation are part of the process to create a code of conduct. A policy should define the scope, objectives, responsibilities, monitoring & verification procedures, qualitative and quantitative targets, key performance indicators to be implemented and monitored for each topic.
B.1.1_1	Anti-Bribery	$\checkmark$	yes, verified			
B.1.1_2	Ethical Business Conduct	$\checkmark$	yes, verified			
B.1.1_3	Data Confidentiality & Privacy	$\checkmark$	yes, verified			
B.1.1_4	Sustainability Reporting	$\checkmark$	yes, verified			
B.1.2	Is the organisation's Business Ethics policy or Code of Conduct/Ethics communicated to all employees through channels such as employment contract, employee manual, newsletter/poster, intranet, website, employee training?	Yes	induction training, posters, information letter, annual training			It is generally accepted that effectively communicating the policy to all employees through various channels ensures better policy awareness and compliance, leading to a more informed and responsible workforce.
B.1.3	Are the Business Ethics policies or Code of Conduct/Ethics communicated to external stakeholders (e.g. clients, suppliers, customers, agents)?	Yes	company website			It is generally accepted that communicating policies or codes of conduct to external stakeholders through a range of channels ensures transparency, alignment, and ethical business relationships, enhancing trust and compliance.





		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.1.4	Is there a Business Ethics Officer, Committee, or equivalent, enforcing and implementing the organisation's policy and procedures on Business Ethics?	Yes	Business Ethics Office is appointed			It is generally accepted that appointing a Business Ethics Officer, Committee, or equivalent can help to ensure that the organisation's ethical values and principles are embedded in its culture and operations.
B.1.5	Does the organisation provide regular training for employees on its Business Ethics policy and procedures?	Yes	yes			It is generally accepted that regular training fosters awareness and engagement, empowering employees to contribute effectively to the organisation's sustainability goals while staying informed about evolving regulations and best practices. Business ethics- related training can be conducted during the induction or on- boarding program.
B.1.6	Does the organisation conduct periodic assessments, audits or monitoring programs to verify whether it complies with its Business Ethics policy and procedures?	Yes	yes			It is generally accepted that monitoring Business Ethics policy implementation helps to identify any risks or problems early.
B.1.7	Has the organisation established a secure grievance mechanism (e.g. whistleblowing procedure or hotline) for reporting issues related to Business Ethics?	Yes	yes			It is generally accepted that a secure grievance mechanism is one that allows employees to voice their concerns in confidentiality and free of retaliation.





		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.1.8	Verify the implementation of the Code of Conduct - at min. 1) Are violations reporting & investigation processes independent & anonymous? 2) Are there disciplinary measures for breaching the Code? ("Yes" for all, "Partially" for some, "No" for none)	Yes	verified			It is generally accepted that establishing a robust process for reporting and investigating code of conduct violations, along with clear disciplinary measures, promotes accountability, upholds organisational values, and fosters a culture of ethical behavior, ensuring compliance and trust within the organisation.
B.1.9	Verify the Code of Conduct in practice - Can you report a Business Ethics issue without any fear of retaliation or intimidation?	Yes	verified			It is generally accepted that creating a safe and confidential process for reporting business ethics issues, free from fear of retaliation or intimidation, encourages transparency, early issue resolution, and a culture where ethical concerns are taken seriously and addressed effectively.

#### 2. Sustainability Reporting

		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.2.1	Does the organisation publish a Sustainability/ Corporate Social Responsibility (CSR) Report?	Yes	in process			It is generally accepted that an organisation should conduct a materiality assessment, establish a data collection & monitoring system following established frameworks such as GRI /SASB guidelines, TCFD, etc. to publish a sustainability report.





		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.2.2	Is the report publically accessible?	Yes	in process			It is generally accepted that if the report is publicly available on the intranet, website, and other accessible platforms enhances transparency, engages stakeholders, and demonstrates a commitment to corporate responsibility, fostering trust and accountability within and beyond the organisation.
B.2.3	How many years has the organisation published such report?	first year	first year			It is generally accepted that publishing a comprehensive sustainability report showcases the organization's commitment to sustainability and provides stakeholders with valuable insights into its ESG performance.
B.2.4	Does the report provide historical Key Performance Indicators (KPIs) for easy comparison on the organisation's progress?	Yes	yes, verified			It is generally accepted that offering a comparison of an organisation's current Key Performance Indicators (KPIs) with historical data allows for performance evaluation, trend identification, and informed decision- making, contributing to continuous improvement and strategic alignment.
B.2.5	Does the report follow an international or national non-financial report standard/framework such as the GRI; SASB; AA1000 Assurance Standard; International Integrated Reporting Council (IIRC); or other national reporting standard/framework?	Yes	yes, verified			It is generally accepted that aligning the sustainability report with internationally recognized non- financial reporting standards and frameworks enhances credibility, and relevance. It demonstrates a commitment to transparency and sustainability best practices, facilitating meaningful stakeholder engagement and informed decision- making.





		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.2.6	Is the organisation's Sustainability/CSR Report assured by an independent external third party?	Yes	yes, verified			It is generally accepted that seeking independent third- party assurance for the Sustainability/ CSR Report reinforces credibility, and transparency. It demonstrates a commitment to accuracy and accountability, enhancing trust among stakeholders and showcasing a genuine dedication to sustainable practices.
B.2.7	Is the report signed/approved by the CEO or Chairman of the organisation?	Yes	yes, verified			It is generally accepted that having the CEO or Chairman endorse the report signifies top-level commitment to sustainability goals, instilling confidence in stakeholders. Their approval reinforces the organisation's dedication to ethical, transparent, and responsible practices.
B.2.8	Is there a hotline/communication channel to collect external feedback on the organisation's Sustainability/CSR report?	Yes	yes, verified			It is generally accepted that offering a dedicated hotline or communication channel for external feedback on the Sustainability/CSR report signals a proactive commitment to stakeholder engagement, accountability, and continuous improvement. It fosters transparency, trust, and valuable insights for refining sustainability efforts.





### 3. Anti-bribery

		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.3.1	Does the organisation have annual quantitative target(s) on Anti-bribery practices?	Yes	The organisation have annual quantitative target(s) on Anti-bribery practices - ZERO TOLARNCE			It is generally accepted that establishing annual targets for anti- bribery practices signifies a proactive commitment to combat corruption, promotes ethical conduct, and ensures ongoing compliance, thereby safeguarding an organisation's reputation and integrity.
B.3.2	If the organisation monitors its Anti-bribery practices Key Performance Indicator(s) (KPIs), what progress did it achieve against its annual target(s) overall?	91%-100%	yes, verified			It is generally accepted that vigilantly tracking Key Performance Indicators (KPIs) related to anti- bribery practices and comparing progress against annual targets enables proactive risk management, compliance, and continuous improvement in ethical business conduct.
B.3.3	Does the organisation have process to identify Anti-bribery and Corruption policy violations?	Yes	yes, verified			It is generally accepted that establishing a systematic approach to identify anti-bribery and corruption policy violations is crucial for early detection, prevention, and maintaining a culture of ethical conduct, safeguarding an organisation's integrity and reputation.
B.3.4	Did the organisation implement separation of duties within the organisation to avoid bribery and corruption?	Yes	yes, verified			It is generally accepted that implementing procedures that segregate duties within an organisation enhances internal controls, minimizes conflicts of interest, and reduces the risk of fraud or errors, thereby promoting operational integrity and accountability.





		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.3.5	Does the organisation have screening or due diligence processes to assess the risks of corruption before signing major contracts/ agreements?	Yes	verified			It is generally accepted that implementing robust screening and due diligence processes to assess corruption risks prior to contract agreements safeguards an organisation's integrity, financial interests, and reputation, ensuring ethical business conduct and long-term sustainability.
B.3.6	If the organisation allows the use of cash, are there internal controls on the process of handling cash?	No	Use of cash is not allowed. In case of some specific cases there are adequate controls.			It is generally accepted that establishing clear and effective cash handling procedures is essential for financial integrity, risk mitigation, and regulatory compliance. These procedures ensure accurate tracking, reduce errors, and promote responsible financial management within the organisation.
B.3.7	Does the organisation have a procedure on allocating employment advantages (company cars, phones, subsidies, etc.)?	Yes	procedure in place			It is generally accepted that establishing a structured procedure for allocating employment advantages such as company cars, phones, subsidies, etc., promotes fairness, aligns with organisational goals, and ensures efficient resource utilization, contributing to employee satisfaction and operational efficiency.





		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.3.8	Does the organisation have a procedure to control charitable, gifts, offerings, and political donations?	Yes	procedure in place			It is generally accepted that creating a structured procedure for controlling charitable contributions, gifts, offerings, and political donations ensures ethical governance, financial transparency, and compliance with legal and ethical standards, safeguarding an organisation's reputation and integrity.
		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.3.9	Verify Anti-Bribery Policy - at min. 1) Are criteria for bonuses objective? 2) Are risks of bribery of top management evaluated? 3) Are contract negotiators monitored to avoid any corruption risk? ("Yes" for all, "Partially" for some, "No" for none)	Yes	verified			It is generally accepted that establishing robust procedures to monitor bonus criteria, evaluate the risk of top management bribery, and oversee contract negotiations mitigates corruption risks, ensures fairness, and upholds ethical standards, safeguarding an organisation's reputation and integrity.
B.3.10	Verify the Anti-Bribery Policy in practice - at minimum 1) Are payments/gifts/donations/ offerings and other sorts of transactions recorded in the organisation's financial and accounting books?	Yes	verified			It is generally accepted that establishing clear procedures for recording financial transactions, including payments, gifts, donations, and offerings, ensures transparency, compliance with regulations, accurate financial reporting, and safeguards against fraud or mismanagement within the organisation.





			Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
В	.3.11	Verify the Anti-Bribery Policy in practice - at minimum: Can you confirm none of your employees or representatives has been convicted of bribery or other criminal conduct in the past five years?	Yes	verified			It is generally accepted that establishing procedures to verify the absence of bribery or criminal convictions among employees and representatives reinforces ethical standards, mitigates risk, and safeguards the organisation's reputation and integrity.

#### 4. Ethical Business Conduct

		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.4.1	Does the organisation have quantitative target(s) on Ethical Business Conduct?	Yes	yes, target are defined on yearly bases			It is generally accepted that establishing quantitative targets for ethical business conduct quantifies ethical goals, facilitating measurement, accountability, and continuous improvement in maintaining high ethical standards and integrity throughout the organisation's operations.
B.4.2	If the organisation monitors its Ethical Business Conduct Key Performance Indicator(s) (KPIs), what progress did it achieve against its annual target(s) overall?	91%-100%	The organisation monitors its Ethical Business Conduct Key Performance Indicator			It is generally accepted that establishing a structured procedure to monitor Ethical Business Conduct Key Performance Indicators (KPIs) against annual targets ensures ongoing ethical alignment, accountability, and the ability to adapt strategies for sustained ethical growth and success.





		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.4.3	Does the organisation monitor potential conflict of interest of its staff on both internal and external factors?	Yes	The organisation monitor potential conflict of interest of its staff			It is generally accepted that establishing a comprehensive procedure for monitoring staff conflicts of interest, considering both internal and external factors, safeguards an organisation's integrity, promotes fairness, and mitigates risks associated with conflicts, ensuring ethical conduct and sound decision- making.
B.4.4	Are there regular management meetings related to Ethic Business Conduct incidents and breaches, and associated action plans?	Yes	Yes, there are quarterly mattings. In case of incidents/breach - the react immediately			It is generally accepted that establishing structured procedures for conducting routine management meetings on Ethical Business Conduct incidents and breaches, along with action plans, ensures proactive monitoring, and a culture of ethics, ultimately safeguarding an organisation's integrity and reputation.
B.4.5	Does the organisation screen business partners to identify those with potential involvement in money laundering or finance of terrorism?	Yes	yes			It is generally accepted that establishing robust screening procedures for business partners to detect potential money laundering or terrorism financing involvement is crucial for risk mitigation, regulatory compliance, and safeguarding the integrity of business relationships.





		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.4.6	Does the organisation have procedures to ensure fair competition practices?	Yes	procedure in place			It is generally accepted that establishing procedures for ensuring fair competition practices is crucial for promoting market integrity, preventing anti- competitive behaviour, and safeguarding consumer interests, contributing to a level playing field in business.
B.4.7	Is the organisation involved in a fair price program mechanism to ensure that small-scale suppliers and distributors are paid a fair price for goods or services supplied to the company?	Yes	yes			It is generally accepted that establishing robust procedures for engaging in a fair price program reflects a commitment to ethical sourcing and supports small-scale suppliers, fostering equitable partnerships, sustainability, and positive social impact within the supply chain.
		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.4.8	Verify the Ethical Business Conduct policy implementation - at minimum 1) are employees aware of Ethical Business Conduct expectations? 2) do they know where to find information on it? ("Yes" for all, "Partially" for some, "No" for none)	Yes	verified			It is generally accepted that effectively communicating the Ethical Business Conduct policy to employees, along with clear expectations and information on where to access it, promotes a culture of integrity and compliance, aligning employees with ethical standards and organisational values.





### 5. Data Confidentiality & Privacy

		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.5.1	Does the organisation have annual quantitative target(s) on Data Confidentiality & Privacy?	Yes	annual quantitative target(s) on Data Confidentiality & Privacy are defined			It is generally accepted that establishing annual quantitative targets for data confidentiality and privacy reinforces an organisation's dedication to safeguarding sensitive information, complying with regulations, and continuously improving data security measures, thereby enhancing trust and mitigating risks.
B.5.2	If the organisation monitors its Data Confidentiality & Privacy Key Performance Indicator(s) (KPIs), what progress did it achieve against its annual target(s) overall?	>=100%	yes			It is generally accepted that establishing a systematic procedure for monitoring Data Confidentiality & Privacy KPIs against annual targets ensures proactive management of data security, compliance, and risk mitigation, ultimately safeguarding sensitive information and organisational integrity.
B.5.3	Is there a Data Confidentiality & Privacy Officer, Committee, or equivalent, enforcing and implementing the organisation's Data Protection policy and procedures?	Yes	yes			It is generally accepted that designating a Data Confidentiality & Privacy officer or committee for policy implementation underscores the organisation's dedication to safeguarding sensitive information, complying with data protection regulations, and ensuring data security and privacy for all stakeholders.





		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.5.4	Are employees trained on their compliance obligations on information security, including handling of personal data (breach preparedness and response)?	Yes	Employees are trained on their compliance obligations on information security			It is generally accepted that offering comprehensive training to employees on information security and personal data handling not only ensures compliance but also equips them with the knowledge and skills needed for effective breach preparedness and response, safeguarding sensitive information and mitigating risks.
B.5.5	Does the organisation perform IT security risk analysis covering the following aspects: sensitive data, IT processes and IT activities?	Yes	The organisation perform IT security risk analysis			It is generally accepted that establishing a comprehensive IT security risk analysis procedure that encompasses sensitive data, IT processes, and IT activities ensures a proactive approach to identifying vulnerabilities, safeguarding critical assets, and maintaining the integrity and confidentiality of information systems.
B.5.6	Does the organisation define, apply, and periodically review users rights and accesses to the information system?	Yes	yes			It is generally accepted that establishing clear procedures for defining, applying, and regularly reviewing user rights and access within an information system enhances security, compliance, and efficiency while safeguarding sensitive data and resources effectively.
B.5.7	Does the organisation define and apply personal data protection rules in accordance with local regulations (e.g. GDPR)?	Yes	yes, the organisation follows the legislation requirements			It is generally accepted that establishing procedures and personal data protection rules in compliance with local regulations, safeguards individuals' privacy rights, mitigates legal risks, and reinforces trust in handling sensitive data, ultimately benefiting both the organisation and its stakeholders.





		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.5.8	Does the organisation have an IT incident management process in place?	Yes	Not in the last year			It is generally accepted that establishing robust IT incident management procedures is essential for proactive issue resolution, minimizing downtime, protecting data, and ensuring business continuity, thereby bolstering overall IT security and organisational resilience.
B.5.9	Does the organisation consider Data Confidentiality & Privacy as a supplier selection criteria?	Yes	yes			It is generally accepted that incorporating data confidentiality and privacy criteria into supplier selection reflects a proactive approach to risk management, safeguarding sensitive information, ensuring compliance with regulations, and strengthening trust in supplier relationships.
B.5.10	Does the organisation perform Data Privacy Impact Assessments (DPIA) whenever a project handles sensitive personal data?	Yes	yes; DPIA is covered			It is generally accepted that implementing Data Privacy Impact Assessment (DPIA) procedures for projects involving sensitive personal data ensures compliance with data protection regulations, safeguards individuals' privacy, and minimizes risks associated with data handling, reinforcing trust and legal adherence.





		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.5.11	Has the organisation established a grievance mechanism (e.g. whistleblowing procedure, Hotline, suggestion channel) for external complaints on Personal Data Confidentiality & Privacy breach?	Yes	in process			It is generally accepted that implementing a robust grievance mechanism for external complaints regarding Personal Data Confidentiality & Privacy breaches empowers individuals, enhances data protection, and demonstrates commitment to compliance and ethical handling of sensitive information, fostering trust in the organisation.
		Practice in Place	Comments/ Observations	Reviewer Comments	Document	Common Practise
B.5.12	Verify Data Confidentiality & Privacy policy implementation- at min. 1) Are employees aware of the policy? 2) Are records of data process activities kept? ("Yes" for all, "Partially" for some, "No" for none)	Yes	all in line			It is generally accepted that raising employee awareness of data confidentiality and privacy policies through various channels, coupled with the establishment of data processing procedures, cultivates a culture of data responsibility, compliance, and safeguarding, ensuring the protection of sensitive information.





## **CLARITY by Bureau Veritas**

is a suite of solutions that helps clients to manage sustainability related data and to monitor their progress against their sustainability roadmaps. Either it is their internal sites, or their supply chain and business partners, clients can trust the data to be accurate and credible

### **KEY FEATURES INCLUDE:**

- Accompany you on your unique sustainability journey no matter your level of sustainability maturity. Choose from CLARITY One, the essential starter sustainability Module; or the standard ESG Modules, or Net Zero Modules for a technical deep-dive.
- Ready-to-use or customized checklists developed by BV Sustainability experts, based on globally-recognized standards and recommendations. Specific topics outside the standard offering are available and can be customized.
- A fully digital process that gathers data from suppliers via Bureau Veritas' digital platforms, feeding into a centralized CLARITY dashboard with a synthesized result of the self-assessment or field audits. The Dashboard contains multiple filters based on SDGs, evaluation modules, and locations to better understand a company's sustainability maturity and KPIs.

80 000+

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For more information, contact the CLARITY team at Bureau Veritas: <a href="mailto:clarity.info@bureauveritas.com">clarity.info@bureauveritas.com</a>

IN 140

COUNTRIES



