



Sedex Members Ethical Trade Audit Report

Version 6.1



| Audit Details | | | | |
|---|--|---|--|---|
| Sedex Company Reference: <i>(only available on Sedex System)</i> | ZC5000017985 | Sedex Site Reference: <i>(only available on Sedex System)</i> | ZS1000020321 | |
| Business name (Company name): | Zwirnerei Nikol Weber GmbH | | | |
| Site name: | Zwirnerei Nikol Weber GmbH | | | |
| Site address: | Mühlberg 16 Oberfranken 95152 DE | Country: | DE | |
| Site contact and job title: | Martin Hösel / CEO | | | |
| Site phone: | 0049928098000 | Site e-mail: | martin.hoesel@nikol-weber.de | |
| SMETA Audit Pillars: | <input checked="" type="checkbox"/> Labour Standards | <input checked="" type="checkbox"/> Health and Safety (plus Environment 2-Pillar) | <input checked="" type="checkbox"/> Environment 4-pillar | <input checked="" type="checkbox"/> Business Ethics |
| Date of Audit: | 2024-09-17 | | | |

| Audit Company Name: |
|---------------------|
| TUV SUD Europe |

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

Audit Content:

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

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

2-Pillar SMETA Audit

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

4-Pillar SMETA

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

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

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

SMETA Declaration

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

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

| Auditor Team | | | |
|----------------------|-----------------|---------------|----------|
| Lead Auditor: | Tarik Beganovic | APSCA Number: | 21702966 |
| Additional Auditors: | | | |
| Date of declaration: | 2024-09-18 | | |

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

| Site Representation | |
|---|--------------|
| Full Name: | Martin Hösel |
| Title: | CEO |
| Date of declaration: | 2024-09-18 |
| Comments: <i>Any exceptions to this must be recorded here (e.g. different sample size): Sampled wage records from the past 5 months were provided for review (5 months only since the operation for digital thermometer just started last Sep 2020). The audit took 2.0 man-days (9AM-6PM per day). Audit time was extended until 8PM due to the extent of documentation; this was agreed upon with the factory representatives</i> | |
| Management informed on day 1 that no night shift is possible due to reduction on orders incoming night shifts are only rarely used it is questionable whether they will still be used in the future - thats way day 2 started at 09:00 | |

Summary of Findings

| Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i> | Area of Non-Conformity | | Number of issues | | | Findings |
|---|------------------------|-----------|------------------|-----|----|-------------------|
| | ETI | Local Law | NC | Obs | GE | |
| 0A - Universal rights covering UNGP | | | 0 | 0 | 0 | |
| 0B - Management Systems and code implementation | 0.B.5 | | 1 | 0 | 0 | NC - ZAF600655629 |
| 1 - Freely chosen employment | | | 0 | 0 | 0 | |
| 2 - Freedom of association and right to collective bargaining are respected | 2.1 | | 1 | 0 | 0 | NC - ZAF600655630 |
| 3 - Working conditions are safe and hygienic | 3.1 | §1 | 1 | 0 | 0 | NC - ZAF600655628 |
| 4 - Child labour shall not be used | | | 0 | 0 | 0 | |
| 5 - Living wages are paid | | | 0 | 0 | 0 | |
| 6 - Working hours are not excessive | | | 0 | 0 | 0 | |
| 7 - No discrimination is practiced | | | 0 | 0 | 0 | |
| 8 - Regular employment is provided | | | 0 | 0 | 0 | |
| 8A - Subcontracting and homeworking | | | 0 | 0 | 0 | |
| 9 - No harsh or inhumane treatment is allowed | | | 0 | 0 | 0 | |
| 10A - Entitlement to work and immigration | | | 0 | 0 | 0 | |
| 10B2 - Environment 2-pillar | | | 0 | 0 | 0 | |
| 10B4 - Environment 4-pillar | 10.B4.4 | | 1 | 0 | 0 | NC - ZAF600655631 |
| 10C - Business ethics 4-pillar | 10.C.4 | §2 | 1 | 0 | 0 | NC - ZAF600655632 |

Local Law Issues

| Issue | Description |
|-------|--|
| §1 | <p>German Workplace Regulation §3a Design and operation of workplaces; DGUV (German Social Accident Insurance) 208-061 5.4 /5.5 Storage facilities and load carriers (ArbStättV § 3a Einrichten und Betreiben von Arbeitsstätten; DGUV Information 208-061 5.4 /5.5)</p> <p>5.4.1 Bei der Stapelung mithilfe von Ladungsträgern dürfen die zulässigen Nutzlasten, Auflasten und Stapelhöhen nicht überschritten werden. Darüber hinaus sind die Tragfähigkeiten des Fußbodens und der Stapelhilfsmittel zu beachten.</p> <p>5.4.2 Stapel sind lotrecht zu errichten. Beträgt die Neigung mehr als 2%, sind die Stapel in gefahrloser Weise abzubauen</p> <p>5.4.3 Wird ein Stapel direkt auf dem Lagergut errichtet, darf nur gestapelt werden, wenn die Stapel- und Tragfähigkeit des Lagergutes nachgewiesen ist.</p> <p>5.5 Bestimmungen für das Stapeln ohne Ladungsträger</p> <p>Die Bestimmungen für das Stapeln mit Ladungsträgern gemäß Abschnitt 5.4 gelten sinngemäß auch für das Stapeln ohne Ladungsträger</p> |

| | |
|----|---|
| §2 | Whistleblower Protection Act - HinSchG § 12 Obligation to establish internal reporting units (1) Employers must ensure that they have at least one contact point for internal reporting which is set up and operated which employees can turn to (internal reporting unit) |
|----|---|

Site Details

| Site Details | | | |
|--|--|-----------------------------|-------------|
| Company Name | Zwirnerei Nikol Weber GmbH | | |
| Site Name | Zwirnerei Nikol Weber GmbH | | |
| GPS location (if available) | GPS Address: | Mühlberg 16 , 95152 Selbitz | |
| | Coordinates: | 50.3557418, 11.6385778 | |
| Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections | Excerpt from the commercial register / Handelsregsiterauszug No. HRB 889 (Handelsregister B des Amtsgerichts Hof - Abruf vom 03.04.2024) | | |
| Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc | Technical yarns and twins | | |
| Site description: (Include size, location, and age of site. Also, include structure and number of buildings) | The company headquarters of Zwirnerei Nikol Weber GmbH is located in the town of Selbitz, in the Bavarian Vogtland region on the eastern edge of the "Frankenwald". All departments from management to administration, production, technology, procurement, warehouse, dispatch and sales are combined there | | |
| Structure and number of buildings | Building Name: | | Nikol Weber |
| | Floor | Description | Remark |
| | Floor 1 | Production | 1965 |
| | Floor 2 | Warehouse | 1998 |
| | Floor 2 | Shipping Dept | 2010 |
| Visible structural integrity issues (large cracks) observed? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: During the site tour (visual check) no issues were observed | | |
| Does the site have a structural engineer evaluation? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: According to the german local law | | |
| Site function | <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack house <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-contractor | | |
| Months of peak season | December to December | | |
| Process overview | The site doesn't have real peak season its more or less equally spread throughout the year. Main operations done by twisting and spooling machines, examples of products: sausage yarns, tea bag threads, cable yarns, taping yarns | | |

| | |
|---|---|
| What form of worker representation is there on site? | <input type="checkbox"/> Union <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other <input checked="" type="checkbox"/> None |
| Is there any night production work at the site? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Are there any on site provided worker accommodation buildings | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: |
| Are there any off site provided worker accommodation buildings | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: |
| Were all site provided accommodation buildings included in this audit | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The organisation doesn't provide any accomodation |

| Audit Parameters | | | | |
|---|--------------------|-------|-------|-------|
| Time in and time out | Day 1 | | Day 2 | |
| | In | 09:00 | In | 09:00 |
| | Out | 17:00 | Out | 14:00 |
| Audit type: | FULL_INITIAL | | | |
| Was the audit announced? | SEMI_ANNOUNCED | | | |
| Was the Sedex SAQ available for review? | Yes | | | |
| Any conflicting information SAQ/Pre-Audit Info to Audit findings? | No | | | |
| Who signed and agreed CAPR | Martin Hösel / CEO | | | |
| Is further information available | No | | | |

| Audit attendance | Management | Worker Representatives | |
|--|--|----------------------------------|-----------------------|
| | Senior management | Worker Committee representatives | Union representatives |
| A: Present at the opening meeting? | Yes | No | No |
| B: Present at the audit? | Yes | No | No |
| C: Present at the closing meeting? | Yes | No | No |
| <i>Reason for absence at the opening meeting</i> | No worker representative and/or union representative on site given | | |
| <i>Reason for absence during the audit</i> | No worker representative and/or union representative on site given | | |
| <i>Reason for absence at the closing meeting</i> | No worker representative and/or union representative on site given | | |

Worker Analysis

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

| Worker Analysis | | | | | | | | |
|--|-----------|-----------|--------|-----------|-----------|--------|--------------|-------|
| | Local | | | Migrant* | | | Home workers | Total |
| | Permanent | Temporary | Agency | Permanent | Temporary | Agency | | |
| Worker numbers – male | 34 | 0 | 0 | 0 | 0 | 0 | 0 | 34 |
| Worker numbers – female | 27 | 0 | 0 | 0 | 0 | 0 | 0 | 27 |
| Total | 61 | 0 | 0 | 0 | 0 | 0 | 0 | 61 |
| Number of Workers interviewed – male | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 7 |
| Number of Workers interviewed – female | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Total – interviewed sample size | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 10 |

| Nationalities Structure | | | |
|--|---|--------------|---------------|
| Nationality of Management | German | | |
| Please list the nationalities of all workers, with the three most common nationalities listed first. | Nationality 1: | German | approx %: 50% |
| | Nationality 2: | Turkish | approx %: 18% |
| | Nationality 3: | Slovak | approx %: 5% |
| Was this list completed during peak season? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: | | |
| Worker remuneration | Workers on piece rate: | 0% | |
| | Paid hourly: | 75% | |
| | Salaried: | 25% | |
| Payment cycle | Paid daily: | 0% | |
| | Paid weekly: | 0% | |
| | Paid monthly: | 100% | |
| | Other: | 0% | |
| | Details for other: | 100% monthly | |

| Worker Interview Summary | |
|---|--|
| Were workers aware of the audit? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Were workers aware of the code? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Number of group interviews: | 1 group of 4 |
| Number of individual interviews: | Male: 3 Female: 3 |
| All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: |
| Interviews were done in private and the confidentiality of the interview process was communicated to the workers? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| In general, what was the attitude of the workers towards their workplace? | <input checked="" type="checkbox"/> Favorable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent |
| What was the most common worker complaint? | No complaint raised |
| What did the workers like the most about working at this site? | A family atmosphere, open door management philosophy |
| Any additional comment(s) regarding interviews: | The staff were very motivated to explain and show everything, were very open in their conversation |
| Attitude of workers to hours worked: | Fair and positive |
| Is there any worker survey information available? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: |

| |
|--|
| Attitude of workers: |
| Feel very comfortable with the employer and the working circumstances |
| Attitude of worker's committee/union reps: |
| No worker's committee and/or union reps given |
| Attitude of managers: |
| The management was cooperative throughout the process of the audit. All requested documents were provided in a timely manner. Access to all areas were allowed. A private room was arranged for worker interviews. Very positive attitude during the closing meeting and very motivated to close the non-compliances |

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

0A: Compliance Requirements

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.

0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights

0.A.3 Businesses shall identify their stakeholders and salient issues.

0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.

0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.

0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter. Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

Current Systems and Evidence Examined

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

Current Systems:

The company has drawn up a sustainability report and own Code of Conduct, endorsed at the highest level, covering Human Rights impacts and issues. CEO directly responsible for implementing standards including Human Rights and is very well aware of a responsibility to respect human rights. The site had identified their stakeholders and its expectations and evaluates those as part of the management review. The system in place is appropriate to their size and circumstances having an action-oriented and collaborative approach with their supply chain as they have a manageable number of suppliers with whom they are in individual and direct dialog and trying to build up trusted relationships

Evidence examined:

Code of Conduct; Sustainability Report May 2024, Matrix interested parties, Management Review 2024, Management and workers interview

Any other comments:

None

Policy statement that expresses commitment to respect human rights?

☒ Yes ☐ No

Please give details:

Site's own code of conduct

Are the policies included in workers' manuals?

☐ Yes ☒ No

Please give details:

No worker manuals

Does the business have a designated person responsible for implementing standards concerning Human Rights?

☒ Yes ☐ No

Please give details:

CEO directly responsible for implementing standards including Human Rights

| | |
|---|--|
| Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: CEO is about to develop a mechanism to be used |
| Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No CEO is about to develop a mechanism to be used |
| Does the business demonstrate effective data privacy procedures for workers' information, which is implemented? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: CEO is about to develop a mechanism to be used. He will be consulted by the own data protection officer |
| Measuring Workplace Impact | |
| Annual worker turnover(Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)) | Last year 1.0% This year 0.0% |
| 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]) | 0.0% |
| 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 3.0% This year 2.0% |
| 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) | 1.0% |
| Are accidents recorded? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: With external support from a HSE expert, the site monitors accidents and evaluate those |
| 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 6.5% This year 1.5% |

| | | |
|--|-----------|------|
| 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) | 1.0% | |
| Lost day work cases per 100 workers(((Number of lost days due to work accidents and work related injuries * 100) / Number of total workers) | Last year | 0.6% |
| | This year | 0.1% |
| % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months | 6 month | 0.0% |
| | 12 month | 0.0% |
| % of workers that work on average more than 60 total hours / week in the last 6 / 12 months | 6 month | 0.0% |
| | 12 month | 0.0% |

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

0B: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

CEO is appointed as responsible for compliance with the codes which is communicated to the employees. Based on interviews with employees, all were familiar with the code. The site has established a supplier assessment matrix to evaluate their performance. The Code is intergrated into the existing structures which are based on ISO 9001/HACCP systems. All licences and insurances were shown.

Evidence examined:

Organigram, Internal Audit & management review 2024, risk matrix 2024, contract with the external data protection officer (Sonntag IT Solution, Dec 2022), land register entry Amtsgericht Hof Blatt 3835 (2052/2004), commercial register Amtsgerichts Hof HRB 889

Any other comments:

None

Management Systems

| | |
|---|--|
| In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Out of the internal audit & managment review it was stated that no fines and or prosecution are running against the site |
| Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Sites own code of conduct, risk matrix |
| If Yes, is there evidence (an indication) of effective implementation? Please give details. | Results of the internal audits |
| Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Only 2 managers (both CEOs) given and directly responsible for activities such as sales, supply chain etc. Both of them were interviewed and have good understanding of the issues and risks. All other employees are aware of the code of conduct. This was verified through the interviews. |

| | |
|---|--|
| Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits)? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: ISO 9001; HACCP |
| Is there a Human Resources manager/department? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Mr. Hösel as CEO directly responsible |
| Is there a senior person /manager responsible for implementation of the code? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Mr Hösel as CEO directly responsible |
| Is there a policy to ensure all worker information is confidential? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site has an external data protection officer; data protection policy according to the Data Protection Regulation (Datenschutz-Grundverordnung DSGVO) is accessible at the sites home page |
| Is there an effective procedure to ensure confidential information is kept confidential? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site has an external data protection officer |
| Are risk assessments conducted to evaluate policy and procedure effectiveness? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Risk and chances matrix, evaluation based on likelihood of occurrence and severity |
| Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Risk matrix linked to internal audits |
| Does the facility have a policy/code which require labour standards of its own suppliers? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The existing evaluation matrix of suppliers is about to be adopted and further developed |
| Land Rights | |
| Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Commercial register and land register entry |
| Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Sites own legal register |
| Does the site have a written policy and procedures specific to land rights? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Sites own code of conduct |

| | |
|--|--|
| Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Land register entry |
| Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Land register entry |
| Is there any evidence of illegal appropriation of land for facility building or expansion of footprint? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Land register entry |

| Non-Compliance | | Evidence | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|----------------|--|--------|------|-----------|--------------|--------|---|-------------|---|-------------|--|----------------------|---|------------|---|--------------------|--|----------|---|-----------------------------------|---|------------------|--|-----------|---|---------|---|--|
| [Back to findings summary] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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1 - Freely chosen Employment [Summary of Findings]

1: Compliance Requirements

1.1 There is no forced, bonded or involuntary prison labour.

1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

Current Systems and Evidence Examined

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

Current Systems:

Contracts with clear clauses on the subject on notice periods. No forced, bonded or involuntary prison labour was observed during the date of audit.

All employees are recruited directly by the company from the surrounding area. No deposits of the like recognizable

Evidence examined:

Contracts, internal CoC, Interviews with management and employees

Any other comments:

None

| | |
|---|---|
| Is there any evidence of retention of original documents, e.g. passports/ID' (If yes, please give details and category of workers affected) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: |
| Is there any evidence of a loan scheme in operation (If yes, please give details and category of workers affected) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: |
| Is there any evidence of retention of wages / deposits (If yes, please give details and category of workers affected) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: |
| Are there any restrictions on workers' freedom to terminate employment? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Contractual clauses according to the applicable law |
| If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: No part of the business is located in UK |
| Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No indicators of any restrictions |

| | |
|--|--|
| <p>Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p> <p>Please give details:</p> <p>In the context of this small company with a manageable supply chain, the risks are minimized by the existing risk matrix. The suppliers are seen as long term partners having strong individual dialogue led not only by quality aspects but also by principles set out in the own code of conduct</p> |
| <p>Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p> | <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details:</p> <p>In the context of this small company with a manageable supply chain, the risks are minimized by the existing risk matrix. The suppliers are seen as long term partners having strong individual dialogue led not only by quality aspects but also by principles set out in the own code of conduct</p> |

2 - Freedom of Association and Right to Collective Bargaining are Respected

[Summary of Findings]

2: Compliance Requirements

2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.

2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.

2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Current Systems and Evidence Examined

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

Current Systems:

National law doesn't require binding to have a worker representation but it is generally recognized that having one has its advantages. The site currently has no employee representation. There is a very open culture overall. In order to promote and clarify this even more, an action is about to be defined to bring the topic to the employees to vote by ballot

Evidence examined:

Interviews with management and employees

Any other comments:

None

| | |
|---|--|
| What form of worker representation/union is there on site? (Please add the name of the union or committee in the textbox) | <input type="checkbox"/> Union <input checked="" type="checkbox"/> Other <input type="checkbox"/> Worker Committee <input type="checkbox"/> None |
| Other details: | Health and Safety Committee |
| Is it a legal requirement to have a union? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Is it a legal requirement to have a worker's committee? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Very informal, open door culture, which was very positive explained during the worker interviews. H&S committee established according to the german occupational safety act |
| Is there evidence of free elections? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Does the supplier provide adequate facilities to allow the Union or committee to conduct related business? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: As no union or committee is defined. But the managment willigness to support is given |
| Name of union and union representative, if applicable: | No union or committee |

| | |
|---|--|
| Is there evidence of free elections? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable |
| If there is no union, is there a parallel means of consultation with workers e.g. worker committees? | Very informal, open door culture, which was very positive explained during the worker interviews |
| Is there evidence of free elections? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable |
| Are all workers aware of who their representatives are? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: On site is no union or committee and therefor no representative |
| Were worker representatives freely elected? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Date of last election: | null |
| Do workers know what topics can be raised with their representatives? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Were worker representatives/union representatives interviewed? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc. | No union and/or worker's committee on site |
| Are any workers covered by Collective Bargaining Agreement (CBA)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

| Non-Compliance | | Evidence | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|----------------|--|--------|------|-----------|--------------|--------|---|-------------|--|-------------|--------------------|----------------------|---|------------|---|--------------------|--|----------|--|-----------------------------------|---|------------------|--|-----------|---|---------|--|--|
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| Explanation to the non compliance | Overall, there is good interaction between top management and the employees. Legally, there is no requirement to set up a works council. Nevertheless, employees should be made aware of and informed about the possibility of having employee representation and decide whether they want to have one or not based on this | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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3 - Working Conditions are Safe and Hygienic [Summary of Findings]

3: Compliance Requirements

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

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

Current Systems and Evidence Examined

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

Current Systems:

The site established a health and safety policy. There is external safety expert nominated (HSH GmbH) supporting the organisation in all aspects. Overview of all recurring inspections is shown. Fire fighting equipments were available on site, it was identified that all fire fighting equipments were checked regularly.

Fire and evacuation drill records with photos showed that the site conducted one on 26.04.2024.

Site own additional safety officer appointed making regular checks. risk assessments conducted on regular basis.

All trainings could be shown.

Emergency plan posted everywhere along the site.

Adequate first aid equipment and sanitary was provided in the factory.

PPE was provided to workers free of charge, and PPE warning sign was posted in place.

Evidence examined:

Organisation organigram, appointment of occupational safety specialist and his competences, appointment of the occupational medical, evacuation plan, evidence of the evacuation exercise carried out, training in the use of fire extinguishers, etc., legal register matrix (MP2-AA-03 and 02), Internal audit 2024, authority fire protection report 2009 (Ref. 1085/09/BS1/Dr. Beierlein, Zwickau), shift handover attended

Any other comments:

None

Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?

☒ Yes ☐ No

Please give details:

All necessary structures as defined by law are in place, from risk assessments, training, documentation from the assessment of accidents, safety instructions, regular inspections, etc





Are the policies included in workers' manuals?

☐ Yes ☒ No

Please give details:

No worker manuals

| | |
|---|---|
| Are there any structural additions without required permits/inspections (e.g. floors added)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: currently valid land register entry |
| Are visitors to the site informed on H&S and provided with personal protective equipment? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Short introduction on the rules on site provided |
| Is a medical room or medical facility provided for workers?(This section is to list evidence to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate)) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Sufficient medical equipment on site |
| Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Nominted site medical stuff and trained first aiders (18 internal employees) |
| Where the facility provides worker transport – is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No worker transport |
| Is secure personal storage space provided for workers in their living space and is fit for purpose? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Lockers provided |
| Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Regular risk assesment and trainings conducted by the safety expert |
| Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Legal register matrix (MP2-AA-03 and 02) |
| Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site evaluates their suppliers by the category ISO 14001 |

| Non-Compliance | | Evidence | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|----------|----------------|--|--------|------|-----------|--------------|--------|--|-------------|--|-------------|-----------------------------------|----------------------|---|------------|---|--------------------|--|-----------------|---|----------|--|------------------------|--|--|
| [Back to findings summary] | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600655628</td></tr><tr><td>Clause</td><td>3 - Working Conditions are Safe and Hygienic</td></tr><tr><td>Issue Title</td><td>327 - Storage of goods not in line with legal requirements (e.g. too high)</td></tr><tr><td>Subcategory</td><td>Hygiene Facilities & Housekeeping</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td><input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>German Workplace Regulation §3a Design and operation of workplaces; DGUV (German Social Accident Insurance) 208-061 5.4 /5.5 Storage facilities and load carriers (ArbStättV § 3a Einrichten und Betreiben von Arbeitsstätten; DGUV Information 208-061 5.4 /5.5) 5.4.1 Bei der Stapelung mithilfe von Ladungsträgern dürfen die zulässigen Nutzlasten, Auflasten und Stapelhöhen nicht überschritten werden. Darüber hinaus sind die Tragfähigkeiten des Fußbodens und der Stapelhilfsmittel zu beachten. 5.4.2 Stapel sind lotrecht zu errichten. Beträgt die Neigung mehr als 2%, sind die Stapel in gefahrloser Weise abzubauen 5.4.3 Wird ein Stapel direkt auf dem Lagergut errichtet, darf nur gestapelt werden, wenn die Stapel- und Tragfähigkeit des Lagergutes nachgewiesen ist. 5.5 Bestimmungen für das Stapeln ohne Ladungsträger Die Bestimmungen für das Stapeln mit Ladungsträgern gemäß Abschnitt 5.4 gelten sinngemäß auch für das Stapeln ohne Ladungsträger</td></tr><tr><td>ETI code</td><td>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.</td></tr><tr><td>Explanation to the non</td><td>During the tour, pallets and cardboard boxes were seen stacked on top of each other in a type of floor</td></tr></table> | | | Non-Compliance | | Status | OPEN | Reference | ZAF600655628 | Clause | 3 - Working Conditions are Safe and Hygienic | Issue Title | 327 - Storage of goods not in line with legal requirements (e.g. too high) | Subcategory | Hygiene Facilities & Housekeeping | New or carried over? | <input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over | Root cause | <input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other | Root cause - Other | | Local law issue | German Workplace Regulation §3a Design and operation of workplaces; DGUV (German Social Accident Insurance) 208-061 5.4 /5.5 Storage facilities and load carriers (ArbStättV § 3a Einrichten und Betreiben von Arbeitsstätten; DGUV Information 208-061 5.4 /5.5) 5.4.1 Bei der Stapelung mithilfe von Ladungsträgern dürfen die zulässigen Nutzlasten, Auflasten und Stapelhöhen nicht überschritten werden. Darüber hinaus sind die Tragfähigkeiten des Fußbodens und der Stapelhilfsmittel zu beachten. 5.4.2 Stapel sind lotrecht zu errichten. Beträgt die Neigung mehr als 2%, sind die Stapel in gefahrloser Weise abzubauen 5.4.3 Wird ein Stapel direkt auf dem Lagergut errichtet, darf nur gestapelt werden, wenn die Stapel- und Tragfähigkeit des Lagergutes nachgewiesen ist. 5.5 Bestimmungen für das Stapeln ohne Ladungsträger Die Bestimmungen für das Stapeln mit Ladungsträgern gemäß Abschnitt 5.4 gelten sinngemäß auch für das Stapeln ohne Ladungsträger | ETI code | 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. | Explanation to the non | During the tour, pallets and cardboard boxes were seen stacked on top of each other in a type of floor | <div><p>NC_1_unsafe_toohigh_storage_4.jpg</p></div> <div><p>NC_1_unsafe_toohigh_storage_3.jpg</p></div> <div><p>NC_1_unsafe_toohigh_storage_2.jpg</p></div> <div><p>NC_1_unsafe_toohigh_storage_1.jpg</p></div> |
| Non-Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Status | OPEN | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Subcategory | Hygiene Facilities & Housekeeping | | | | | | | | | | | | | | | | | | | | | | | | | | |
| New or carried over? | <input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Root cause | <input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Root cause - Other | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Explanation to the non | During the tour, pallets and cardboard boxes were seen stacked on top of each other in a type of floor | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | |
|------------------|---|--|
| compliance | storage. These must be urgently checked for the permissible load and superimposed loads as well as the maximum permissible stacking height so that no instability occurs. All stacks must be set up vertically to prevent them from tipping over. | |
| Follow up method | <input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit | |
| Timescale | <input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other | |
| Actions | It is recommended that the H&S officer should conduct a assessment of the current status in accordance with the legal requirements evaluate the result and competently finds a permanent solution on how to safely store goods | |

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

4: Compliance Requirements

4.1 There shall be no new recruitment of child labour.

4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.

4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.

Current Systems and Evidence Examined

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

Current Systems:

Based on documents review, the site keeps valid and sufficient information such as copies of ID, education certificate or other documents. All according to the national laws. Personal files showed that no child labour and young worker are present on site.

Evidence examined:

Personal files, Interviews, Site tour, HR records

Any other comments:

None

| | |
|--|--|
| Legal age of employment: | 15 |
| Age of youngest worker found: | 28 |
| Are there children present on the work floor but not working at the time of audit? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Percentage of under 18's at this site (of total workers) | 0.0% |
| Are workers under 18 subject to hazardous work assignments? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No persons under 18 on site |

5 - Living Wages are Paid [Summary of Findings]

5: Compliance Requirements

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

Current Systems and Evidence Examined

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

Current Systems:

The site could provide all contracts and payrolls needed for review during the audit. All files are structured and kept safe. All workers were paid above minimum wage (Remark: the local minimum wage standard 12.41 euro/hour)

Based on payrolls review and site rules no overtime is practiced. Very rarely a few hours may accrue, but these can be reduced with the flexible working model (next day working the time less) Through records check max 1 hr/week was found

All workers receive their salary regularly by end of the month. Payrolles given to each worker. All legal requirements for deductions are made. No other deduction other than the one legally required.

Paid annual leave, marriage & funeral leave, maternity leave and other legal benefits were provided for worker.

Evidence examined:

Contracts, salary ranges, interviews, payrolles, time keeping system

Any other comments:

None

Summary Information

| Criteria | Local Law | Actual at the Site | Is this part of a Collective Bargaining Agreement? |
|--|---|--|--|
| Standard/Contracted work hours: (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month) | Legal Maximum Per Day: 8.0 Per Week: 48.0 Per Month: null | Actual Per Day: 8.0 Per Week: 39.5 Per Month: 148.0 | NO |
| Overtime hours: (Maximum legal and actual overtime hours, please state if possible per day, week, and month) | Legal Maximum Per Day: 2.0 Per Week: 12.0 Per Month: null | Actual Per Day: 1.0 Per Week: 2.0 Per Month: 4.0 | NO |
| Wage for standard/contracted hours: (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month) | Legal Maximum Per Day: 99.3 Per Week: null Per Month: null | Actual Per Day: 101.4 Per Week: 507 Per Month: 2197 | NO |

| | | | |
|---|---|--|----|
| Overtime wage: (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month) | Legal Maximum Per Day: null Per Week: null Per Month: null | Actual Per Day: 101.4 Per Week: 507 Per Month: 2197 | NO |
| Wages Analysis: | | | |
| Were accurate records shown at the first request? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | |
| Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria) | 5 samples Sept & 10 samples from August (current/last) 10 samples from Februar 2024 (random) 10 samples from Dezember 2023 (peak, but there is no real peak month) | | |
| Are there different legal minimum wage grades? If Yes, please specify all. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| If there are different legal minimum grades, are all workers graded and paid correctly? | <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Not Applicable Please give details: | | |
| For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum? | <input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above | | |
| Lowest actual wages found: Note: full time employees and please state hour / week / month etc. | 13 Euro/hour | | |
| Please indicate the breakdown of workforce per earnings | 0.0% of workforce earning under minimum wage 0.0% of workforce earning minimum wage 100.0% of workforce earning above minimum wage | | |
| Bonus Scheme found: Please specify details: | Bonus Scheme found: Depending on annual result additional payment end of year to all workers Note: type of employee (e.g. full time, temp, etc.) and please state which units e.g. /hour /week /month etc. | | |
| What deductions are required by law e.g. social insurance? Please state all types: | Health insurance, pension insurance, unemployment insurance, long-term care insurance | | |
| Have these deductions been made? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | |
| Please list all deductions that have been made. | Health insurance, pension insurance, unemployment insurance, long-term care insurance | | |
| Please list all deductions that have not been made. | None | | |
| Were appropriate records available to verify hours of work and wages? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | |
| Were any inconsistencies found? (if yes describe nature) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Employees log in per chip and the system counts the time very accurate. | | |

| | |
|---|---|
| Is there a defined living wage: This is not normally minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: |
| If yes, what was the calculation method used. | <input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation <input type="checkbox"/> Other – please give details: |
| Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income). | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The wages are also adjusted in line with the legal modifications and are above minimum wage |
| Are workers paid in a timely manner in line with local law? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Is there evidence that equal rates are being paid for equal work: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: A rates table per qualificationmatrix is defined where it was shown that the same function and qualification recives the same rate (man and women equal) - those rate could also be verified out of the contracts in the samples |
| How are workers paid: | <input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other |

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

6: Compliance Requirements

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current Systems:

The normal working hour system of 8 hours a day (Friday 7.5), 39.5 hours a week is defined.
The attendance records showed that workers work 5 days a week, havin 2 days off
The site keeps and is able to provide attendance records via digital system for any given period
No overtime is practiced, only very few cases of max 1 hr, which is than with a felexibel model (next day working less)
Based on observation on site, the factory used chip scanning to record employees' working hours.

Evidence examined:

Contracts, salary rang matrix, time keeping system, files checked

Any other comments:

None

Working hours' analysis

Systems & Processes

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

| | |
|--|--|
| Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week? (If yes, please detail hours, %, types of workers affected and frequency.) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period? | <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No (please explain) |
| Is this allowed by local law? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Maximum number of days worked without a day off (in sample): | 5 |
| Standard/Contracted Hours worked | |
| Were standard working hours over 48 hours per week found? (If yes, % of workers & frequency) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No % of workers: null% Frequency: |
| Any local waivers/local law or permissions which allow averaging/annualised hours for this site? (If yes, please give details.) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Overtime Hours worked | |
| Actual overtime hours worked in sample (State per day/week/month) | Most samples had none, one sample had 45 min a day and in the month 2 hours. |
| Combined hours (standard or contracted + overtime hours = total) over 60 found? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Max 39.5 hrs/week |
| Approximate percentage of total workers on highest overtime hours: | 2.0% |
| Is overtime voluntary? (Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Conflicting Information Please give details: Yes, but there is no real overtime on site |
| Overtime premium | |
| Are the correct legal overtime premiums paid? (Please give details of normal day overtime premium as a % of standard wages) | <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium Please give details: No overtime premiums for overtime per law |
| Is overtime paid at a premium? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the boxes where relevant. | <input type="checkbox"/> No <input type="checkbox"/> Consolidated pay <input type="checkbox"/> Collective Bargaining agreements <input checked="" type="checkbox"/> Other |

| | | | |
|---|---|--|--|
| Please give details | On site there is no overtime. Very few hours that accour rarely (less then 1 hour a week) for this there is a flextime model. In only when night shift has a 135% premium (but due to the actual order book situation no night shift) | | |
| If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant. (Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other) | <input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Site can demonstrate exceptional circumstances | <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week is voluntary <input checked="" type="checkbox"/> Other reasons (please specify) | <input type="checkbox"/> Safeguards are in place to protect worker's health and safety |
| Please give details | No 60 hrs | | |
| Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other | No 60 hrs per week on site | | |
| Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |
| If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | | |

7 - No Discrimination is Practiced [Summary of Findings]

7: Compliance Requirements

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

Current Systems and Evidence Examined

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

Current Systems:

The site has a clear statement on prohibiting discrimination. This culture is also lived and exemplified by the top management. No indicators on discrimination was found in sites policies, rules, procedures and operation records.

According to payrolls, attendance records, termination records and training records review, no evidence showed that discrimination existed in the factory.

According to management interview and worker interview, the site doesn't tolerate any form of discrimination.

Female workers had the same pay and working conditions as male workers; promotion was based on workers' ability and skill; training was based on working requirement. Management is represented by 2 person (both CEOs), all other personal are in the production.

Evidence examined:

Sites Code of Conduct

Payrolls, attendance records, training records and matrix, salary ranges, contracts

Any other comments:

None

| | | |
|--|---|---|
| Gender breakdown of Management + Supervisors (Include as one combined group) | Male: 100.0% | Female: 0.0% |
| Number of women who are in skilled or technical roles (e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst) | The numbers out of the worker analysis breakdown can be applied (male 34/female 27). Processes are very slim with highly repetitive tasks. On site there is only 2 managers (CEOs) and 3 shift supervisors, few admin stuff and the rest are workers on the floor performing the core activities. There are in general no task where specific high skilled qualifications are needed. All jobs/tasks given were performed by male as well as female workers - gender neutral. | |
| Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation? | <input type="checkbox"/> Hiring <input type="checkbox"/> Promotion | <input type="checkbox"/> Compensation <input type="checkbox"/> Termination or retirement <input type="checkbox"/> Access to training <input checked="" type="checkbox"/> No evidence of discrimination found |
| Please give details | All evidences show very transparent and neutral approach | |
| Professional Development | | |
| What type of training and development are available for workers? | Training available to all workers, types from informational training, legally required ones up to skills upgrading. Planing are always stated and adressed to all workers, no separate training or separate requests | |

| | |
|---|---|
| Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria? (If no, please provide details) | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
|---|---|

8 - Regular Employment Is Provided [Summary of Findings]

8: Compliance Requirements

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

Additional Elements: Responsible Recruitment

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.

8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.

8.5 Employment agencies must only supply workers registered with them.

8.6 Workers pay no recruitment fee at any stage of the recruitment process.

8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

Current Systems and Evidence Examined

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

Current Systems:

The site has disciplinary rules according to the German legislation which is also communicated to all workers.

Work performed was on the basis of legal contracts. All clauses and terms valid and known to the employees.

HR only keeps copies of labour contracts

No agency are contracted. All recruiting done by the site itself and regional

Evidence examined:

Contracts and personal files, payslips, Interview with HR and employees

Any other comments:

None

Responsible Recruitment

All Workers

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

☒ Terms & Conditions presented

☒ Understood by workers

☒ Same as actual conditions

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

☐ Yes ☒ No

Migrant Workers

Type of work undertaken by migrant workers:

No migrant workers present on site

| | |
|---|--|
| Please give details about recruitment agencies for migrant workers: | Number of (in country) recruitment agencies used: 0 Number of (outside of local country) recruitment agencies used: 0 |
| Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: No migrant workers |
| Is there any observation on this finding? | No, as no migrant workers present on site |
| Are any migrant workers in skilled, technical or management roles? (This should include all migrant workers including permanent workers, temporary and/or seasonal workers) | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Non-employee workers | |
| Recruitment Fees | |
| Are there any fees? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Agency Workers (if applicable) (Workers sourced from a local agent who are not directly paid by the site, but paid by the agency. Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.) | |
| Number of agencies used (average): | 0 |
| Please provide the names of agencies if applicable | No agencies used |
| Were agency workers' age / pay / hours included within the scope of this audit? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Were sufficient documents for agency workers available for review? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Is there a legal contract agreement with all agencies? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No agency used |
| Does the site have a system for checking labour standards of agencies? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No agency used |
| Contractors (Contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider.) | |
| Any contractors on site? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No contractors were present on site |
| Do all contractor workers understand their terms of employment? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: No contractors were present on site |

8A - Sub-Contracting and Homeworking
[Summary of Findings]**8A: Compliance Requirements**

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

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

Current Systems and Evidence Examined

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

Current Systems:

Verified through document review, site tour, management interview and workers interview no indication of home-working and/or sub-contracting to be used by this site

Evidence examined:

Interviews, production records, site tour

Any other comments:

None

Summary of sub-contracting – if applicableIs there any sub-contracting at this site? ☐ Yes ☒ No**Summary of homeworking – if applicable**Is homeworking used at this site? ☐ Yes ☒ No

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

9: Compliance Requirements

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

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

Current Systems and Evidence Examined

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

Current Systems:

No evidence or indicators of harsh or inhumane treatment of any kind was found in the sites policies. All employees stated good team spirit and a collegial and familiar atmosphere

Evidence examined:

Interviews, management statements, site tour

Any other comments:

None

Are there published, anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?

☐ Yes ☒ No

Please give details:

CEO is about to expand existing structure (expand internal contact point)

If yes, are workers aware of these channels and have access? Please give details.

If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.

Which of the following groups is there a grievance mechanism in place for?

☒ Worker ☐ Communities
☐ Suppliers ☐ Other

Please provide grievance mechanism details

An informal internal contact point is defined. The zero tolerance approach as defined by the own CoC is enforced. This contact point and the purpose was known by all workers interviewed. The attitude towards this contact point was very positive and would also be used in the case of any irregularities.

Are there any open disputes?

☐ Yes ☒ No

Please give details:

Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)

☐ Yes ☒ No

Please give details:

The site has a code of conduct in the next step the suppliers will be evaluated

| | |
|--|---|
| Is there a published and transparent disciplinary procedure? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: |
| If yes, are workers aware of these the disciplinary procedure? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: |
| Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: |

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

10A: Compliance Requirements

10.A.1 Only workers with a legal right to work shall be employed or used by the supplier.

10.A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.

Current Systems and Evidence Examined

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

Current Systems:

All employees have a legal contract according to german law

Evidence examined:

HR processes and interview, worker interview, files check

Any other comments:

None

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

10B4: Compliance Requirements

10.B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.

10.B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.

10.B4.3 Businesses shall be aware of their end client's environmental standards/code requirements

10.B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10.B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.

10.B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).

10.B4.7 Businesses shall make continuous improvements in their environmental performance.

10.B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation

10.B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.

10B4: Guidance for Observations

10.B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.

10.B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

Note for auditors and readers. This environment section is intended to take not more than 0.25 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)

Current Systems and Evidence Examined

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

Current Systems:

The site runs a environmental managment integrated into the ISO 9001. Environmental data are recorded for Waste & Recycling, Water usage, Energy, Carbon Footprint

Evidence examined:

Internal Audit and managment Review 2024, Sustainability report 2024, register of legal requirements, organisational chart - organigramm, interviews with responsible and extra interview with fokus on env

Any other comments:

None

Environmental Analysis

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

External expert, Mr. Haase (HCH GmbH)

Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?

☒ Yes ☐ No

Please give details:

Integrated into a risk matrix

| | |
|--|--|
| Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The topic on environment is integrated into the managementsystem logic based on the ISO 9001 |
| Does the site have an Environmental policy? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| If yes, is it publicly available? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| If yes, does it address the key impacts from their operations and their commitment to improvement? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Statement in the Sustainability report |
| Does the site have a Biodiversity policy? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Only ISO 9001 and HACCP |
| Have all legally required permits been shown? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All permits available |
| Is there a documentation process to record hazardous chemicals used in the manufacturing process? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable Please give details: According to german law, documented in the legal requirement matrix |
| Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The site expects their suppliers to have a env managment system |
| Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions: | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All trends on env aspects over last 5 yeras were shown with a decline |
| Facility has evidence of waste recycling and is monitoring volume of waste that is recycled. | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All categories on waste according to law are monitored. A KPI showing the site was able to reduce the specific amount of waste per kilogram of yarn produced by 2 % |
| Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All data recorded and were shown during the audit |

| | | |
|--|--|--------------------------|
| Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: Regular quality check | |
| Usage/discharge analysis | | |
| Criteria | Previous year: 2023 | Current year: 2024 |
| Electricity Usage: Kw/hrs | 1530000 | 998000 |
| Renewable Energy Usage: Kw/hrs | 680000 | 413000 |
| Gas Energy Usage: Kw/hrs | 780000 | 513000 |
| Has site completed any carbon Footprint Analysis? | Yes | No |
| If Yes, please state result | 666t/Co2 | |
| Water Sources | Public supply | Public supply |
| Water Volume Used | 2700 | 1600 |
| Water Discharged | Local purification plant | Local purification plant |
| Water Volume Discharged | 2100 | 1200 |
| Water Volume Recycled | 0 | 0 |
| Total waste produced | 115t | 72 |
| Total hazardous waste produced | 0 | 0 |
| Waste to recycling | 73t | 46t |
| Waste to landfill | 0 | 0 |
| Waste to other | 42t | 26t |
| Total Product Produced | 1.641t | 1.006t |

| Non-Compliance | | Evidence | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|----------------|--|--------|------|-----------|--------------|--------|-----------------------------|-------------|--|-------------|---|----------------------|---|------------|---|--------------------|--|----------|--|-----------------------------------|---|------------------|--|-----------|---|---------|---|--|
| [Back to findings summary] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th colspan="2">Non-Compliance</th> </tr> </thead> <tbody> <tr> <td>Status</td> <td>OPEN</td> </tr> <tr> <td>Reference</td> <td>ZAF600655631</td> </tr> <tr> <td>Clause</td> <td>10B4 - Environment 4-Pillar</td> </tr> <tr> <td>Issue Title</td> <td>602 - Site has an environmental policy in place but does not communicate it to its suppliers</td> </tr> <tr> <td>Subcategory</td> <td>General Environmental Permits, & Management systems</td> </tr> <tr> <td>New or carried over?</td> <td> <input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over </td> </tr> <tr> <td>Root cause</td> <td> <input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other </td> </tr> <tr> <td>Root cause - Other</td> <td></td> </tr> <tr> <td>ETI code</td> <td>10.B4.4 - Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.</td> </tr> <tr> <td>Explanation to the non compliance</td> <td>The site has an environmental policy integrated into a sustainability report, but this is not currently communicated actively to suppliers.</td> </tr> <tr> <td>Follow up method</td> <td> <input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit </td> </tr> <tr> <td>Timescale</td> <td> <input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other </td> </tr> <tr> <td>Actions</td> <td>The management shall decide how to actively communicate its own policy to the suppliers</td> </tr> </tbody> </table> | | Non-Compliance | | Status | OPEN | Reference | ZAF600655631 | Clause | 10B4 - Environment 4-Pillar | Issue Title | 602 - Site has an environmental policy in place but does not communicate it to its suppliers | Subcategory | General Environmental Permits, & Management systems | New or carried over? | <input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over | Root cause | <input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other | Root cause - Other | | ETI code | 10.B4.4 - Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers. | Explanation to the non compliance | The site has an environmental policy integrated into a sustainability report, but this is not currently communicated actively to suppliers. | Follow up method | <input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit | Timescale | <input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other | Actions | The management shall decide how to actively communicate its own policy to the suppliers | |
| Non-Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Status | OPEN | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reference | ZAF600655631 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Clause | 10B4 - Environment 4-Pillar | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issue Title | 602 - Site has an environmental policy in place but does not communicate it to its suppliers | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Subcategory | General Environmental Permits, & Management systems | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| New or carried over? | <input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Root cause | <input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Root cause - Other | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ETI code | 10.B4.4 - Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Explanation to the non compliance | The site has an environmental policy integrated into a sustainability report, but this is not currently communicated actively to suppliers. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Follow up method | <input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Timescale | <input type="checkbox"/> Immediate <input type="checkbox"/> 30 days <input checked="" type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Actions | The management shall decide how to actively communicate its own policy to the suppliers | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

10C - Business Ethics – 4-Pillar Audit
[Summary of Findings]

10C: Compliance Requirements

10.C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10.C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10.C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10.C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10.C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10.C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

10.C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

10C: Guidance for Observations

10.C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

10.C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented

Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

Current Systems and Evidence Examined

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

Current Systems:

The company is privately owned with a more than 100 years history. Clear statement from the top management is communicated that business is done ethically without bribery, corruption, or any type of fraudulent. As only 2 managers are in charge and both were interviewed and showed very good understanding on the issues and risks

Evidence examined:

Code of conduct, interviews, risk matrix. As the site is a very small organisation, the sales is run by the management itself which also was interviewed with the focus on business ethics

Any other comments:

As the site is a very small organisation, the sales is run by the management itself which also was interviewed with the focus on business ethics

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

☒ Internal Policy

☐ Policy for third parties including suppliers

Please give details:

Clear statement in the code of conduct and sustainability report

| | |
|---|--|
| Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: 2 managers (CEOs both) are responsible for sales and both were interviewed the impression was very positive |
| Is the policy updated on a regular (as needed) basis? | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Clear statement in the code of conduct and sustainability report, both 2024 |
| Does the site require third parties including suppliers to complete their own business ethics training | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: The evaluation of the own suppliers is about to be more precise |

| Non-Compliance | | Evidence | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|----------|----------------|--|--------|------|-----------|--------------|--------|--|-------------|---|-------------|---------------------------|----------------------|---|------------|---|--------------------|--|-----------------|--|----------|---|-----------------------------------|---|------------------|--|-----------|---|---------|---|
| [Back to findings summary] | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table><tr><th colspan="2">Non-Compliance</th></tr><tr><td>Status</td><td>OPEN</td></tr><tr><td>Reference</td><td>ZAF600655632</td></tr><tr><td>Clause</td><td>10C - Business Ethics – 4-Pillar Audit</td></tr><tr><td>Issue Title</td><td>667 - No confidential whistleblowing procedure in place</td></tr><tr><td>Subcategory</td><td>BE - Grievance Mechanisms</td></tr><tr><td>New or carried over?</td><td><input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over</td></tr><tr><td>Root cause</td><td><input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other</td></tr><tr><td>Root cause - Other</td><td></td></tr><tr><td>Local law issue</td><td>Whistleblower Protection Act - HinSchG § 12 Obligation to establish internal reporting units (1) Employers must ensure that they have at least one contact point for internal reporting which is set up and operated which employees can turn to (internal reporting unit)</td></tr><tr><td>ETI code</td><td>10.C.4 - Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.</td></tr><tr><td>Explanation to the non compliance</td><td>The organization does not provide an internal reporting mechanism to which interested parties can contact anonymously</td></tr><tr><td>Follow up method</td><td><input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit</td></tr><tr><td>Timescale</td><td><input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other</td></tr><tr><td>Actions</td><td>Together with the data protection officer, the management should define a reporting system in order to comply with the legal requirements</td></tr></table> | | | Non-Compliance | | Status | OPEN | Reference | ZAF600655632 | Clause | 10C - Business Ethics – 4-Pillar Audit | Issue Title | 667 - No confidential whistleblowing procedure in place | Subcategory | BE - Grievance Mechanisms | New or carried over? | <input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over | Root cause | <input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other | Root cause - Other | | Local law issue | Whistleblower Protection Act - HinSchG § 12 Obligation to establish internal reporting units (1) Employers must ensure that they have at least one contact point for internal reporting which is set up and operated which employees can turn to (internal reporting unit) | ETI code | 10.C.4 - Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter. | Explanation to the non compliance | The organization does not provide an internal reporting mechanism to which interested parties can contact anonymously | Follow up method | <input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit | Timescale | <input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other | Actions | Together with the data protection officer, the management should define a reporting system in order to comply with the legal requirements |
| Non-Compliance | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Status | OPEN | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Reference | ZAF600655632 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Clause | 10C - Business Ethics – 4-Pillar Audit | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issue Title | 667 - No confidential whistleblowing procedure in place | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Subcategory | BE - Grievance Mechanisms | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| New or carried over? | <input checked="" type="checkbox"/> New <input type="checkbox"/> Carried Over | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Root cause | <input type="checkbox"/> Training <input checked="" type="checkbox"/> System <input type="checkbox"/> Costs <input type="checkbox"/> Lack of workers <input type="checkbox"/> Other | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Root cause - Other | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Local law issue | Whistleblower Protection Act - HinSchG § 12 Obligation to establish internal reporting units (1) Employers must ensure that they have at least one contact point for internal reporting which is set up and operated which employees can turn to (internal reporting unit) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ETI code | 10.C.4 - Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Explanation to the non compliance | The organization does not provide an internal reporting mechanism to which interested parties can contact anonymously | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Follow up method | <input type="checkbox"/> Follow up audit <input checked="" type="checkbox"/> Desktop audit | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Timescale | <input type="checkbox"/> Immediate <input checked="" type="checkbox"/> 30 days <input type="checkbox"/> 60 days <input type="checkbox"/> 90 days <input type="checkbox"/> 120 days <input type="checkbox"/> 180 days <input type="checkbox"/> 365 days <input type="checkbox"/> Other | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Actions | Together with the data protection officer, the management should define a reporting system in order to comply with the legal requirements | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Attachments



overall impression on site
exemplary production 3.jpg



overall impression on site exemplary fire fighting
equipment 2.jpg



overall impression on site exemplary time log in
out.jpg



overall impression on site exemplary fire fighting
equipment 1.jpg



overall impression on site exemplary_break area -
Kopie.jpg



overall impression on site exemplary_safety signs
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overall impression on site exemplary_electricity.jpg



overall impression on site exemplary_PPE ear
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overall impression on site exemplary_evacuation
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overall impression on site exemplary_medical
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overall impression on site exemplary_entrance.jpg



overall impression on site exemplary_hygien.jpg



overall impression on site exemplary_fire fighting equipment smoke extraction system.jpg



overall impression on site exemplary_storage system inspection.jpg



overall impression on site exemplary_changing rooms, lockers_2.jpg



overall impression on site exemplary_assembly point.jpg



overall impression on site
exemplary production 1.jpg



overall impression on site exemplary fire fighting
equipment 3.jpg



overall impression on site exemplary changing
rooms lockers.jpg



overall impression on site
exemplary production 2.jpg



overall impression on site
exemplary production 4.jpg



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Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

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