

Workplace Conditions Assessment Report

Measured Results — Improved Performance



CABTEC KFT.

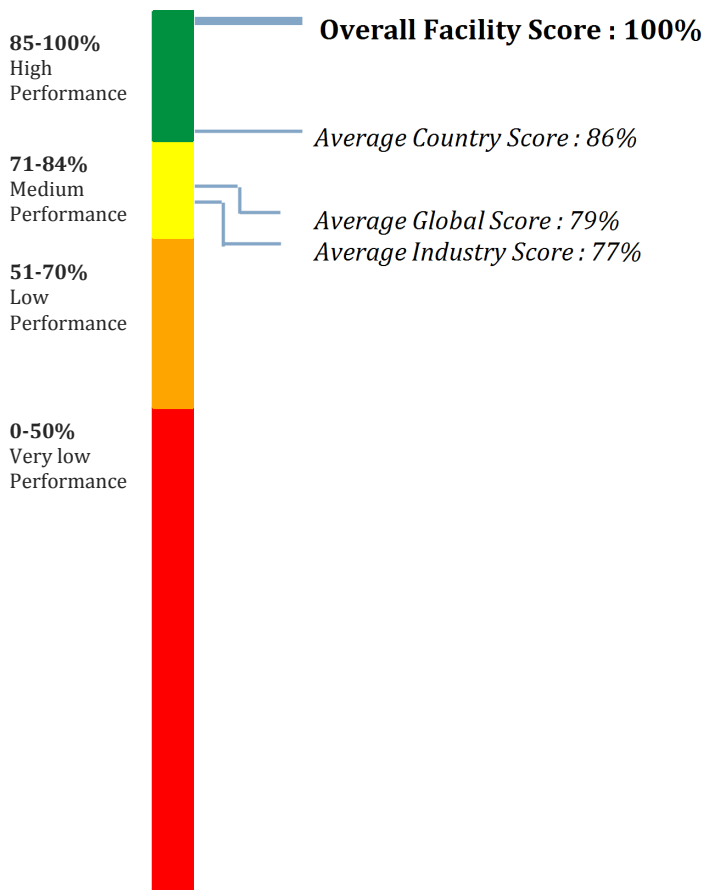
GENERAL INFORMATION

Overall Facility Score : **100%**

Report No :	F_IAR_16338	City :	Kecskemét
Audit Date :	Sep 16, 2021	Country :	Hungary
Last Audit :	Jan 23 - Jan 24, 2013 (84%)	Auditors :	Primary: Zsolt Badacsonyi
Assessment Stage :	Initial		Secondary: Csilla KIRALY
Schedule Type :	Announced	Service Provider:	Intertek

WORKPLACE PERFORMANCE INDEX AND SUMMARY

Participating facilities: 35698



Assessment area	Score results	Number of non-compliances by rating				
		Zero Tolerance	Major	Moderate	Minor	Notscored
Overall	100%	-	-	-	-	-
Labor	100%	-	-	-	-	-
Wages & Hours	100%	-	-	-	-	-
Health & Safety	100%	-	-	-	-	-
Management Systems	100%	-	-	-	-	-
Environment	100%	-	-	-	-	-
Business Practices	100%	-	-	-	-	-

Note: Business Practices score is not included in the overall result calculation.



A. FACILITY PROFILE

A1. FACILITY INFORMATION

Facility Name:	Cabtec Kft.	Facility Legal Status:	Privately owned
Facility Legal Name:	Cabtec Kft.	Year facility began operations:	1996
Audit Location:	István király krt. 24.	Located in special economic zone:	NA
City:	Kecskemét	Person responsible for overall social compliance issues:	Tibor Berta, Managing director
Country:	Hungary	Valid certificate for social compliance certification program:	ISO 9001 valid till October 3, 2023 ISO 14001 valid till May 27, 2024
Contact Name:	Lajos Szabó	Vendor Name:	Cabtec Kft.
Contact Title:	Quality and environmental manager	Security systems in place:	Yes <i>Guards, fence, CCTV</i>
Industry:	Electrical and Electronics		

Building Description: The factory has one 2 storey building where the offices and social premises located on first floor, production, warehouse and social premises are located on ground floor. The building is made of brick and was built in 1996 and extended in 2001. The factory does not have dormitory.

Special building type: NA

A2. PRODUCTION INFORMATION

Products manufactured/ Services provided:	Cables and components	Time record system(s) used:	Swipe Card system
Production process/ Service elements:	cutting, crimping, assembly, packaging	Chemicals or hazardous materials on-site:	Yes <i>flux, tin, solvents</i>
Production capacity a week:	cannot be given due to the complexity of product portfolio	Current production/ Services for client:	Yes
Total number of machines:	286		
Main machine types:	Schleuniger, Komax, Stocko		
Shifts and Operating hours:	1st shift: 06:00-14:00, 2nd Shift: 14:00-22:00 with 30 minutes break from Monday to Friday		

A3. EMPLOYEE INFORMATION

Range of total number of employees at the facility:	101-500 employees	Female Employees:	228
Union name:	TU of Engineers and Technicians	Male Employees:	58
Employs juvenile workers:	None	Mgmt Employees:	9
Hires through employment agent:	No	Production (Non-Management) Employees:	277
Employee nationalities/provinces:	Hungarian	Local Employees:	286
		Foreign/Migrant Employees:	0
		Languages spoken in the facility:	Hungarian
		Management and employees speak same language :	Yes

A4. SUBCONTRACTOR INFORMATION

No subcontractor information given

A5. GENERAL INFORMATION

The auditors were welcomed by the Managing director at 07:55. The audit started at 08:00 with the presence of Managing director, HR manager, Quality and environmental manager and EHS depute. The Lead auditor explained the audit process, WCA content, purpose, the Integrity rules, as well as the audit agenda was also finalized during the opening meeting. The Lead Auditor started the HSE walk-through in the facility. The Co- Auditor selected workers for interview. The Lead Auditor observed that factory complies with WCA EHS requirements. The Lead Auditor received the required HSE documents during the audit, then checked the HSE documentation after the factory tour. The confidential interviews were taken place both in 1st and second shifts according to the Audit plan. The Co- Auditor reviewed the HR documents and found that the factory complies with WCA requirements. The auditors finished the audit at 16:00 with a closing meeting, when they summarized the results and thanked the cooperation to the management. Integrity form was signed by the Quality and environmental manager. The attitude of management and employees was cooperative and transparent throughout the audit. Some non-conformities were noted during the audit. No any suspicious activity was observed. #COVID-19: The auditors (as well as all employees) were obliged to wear mask in the factory, as well as to sanitize hands.

Emergency Preparedness Summary

The facility was equipped with all the legally required fire emergency equipment, as smoke detectors in offices, fire extinguishers, fire hose cabinets and fire hydrants. Sprinkler system is not required by law for the factory. All of the fire safety equipment is owned and managed by the factory according to the law. Fire emergency equipment are registered, signed, maintained and inspected according to the law by external approved service providers. The fire extinguishers were mounted, those were neither over- nor underpressurized. Emergency escape routes were not blocked, emergency exits were not locked or blocked during the audit, emergency signs were glow-in-a dark type or equipped with emergency lighting. Secondary emergency exits were also appropriate. Evacuation maps were posted in all premises. All of the employees were trained how to use fire extinguisher. Last safety trainings were held in 2021. Fire drills were conducted annually, the latest was in September 6, 2021 and covered all shifts and building.

A6. AUDIT PROCESS

Audit pay period provided for review

Records	From	To
12 Months Payroll	September 1, 2020	August 31, 2021
12 Months Attendance	September 1, 2020	August 31, 2021

Employee interview sampling

Individual	20
Group	2 group of 5
Total interviewed	30

Payroll and attendance records sampling

Period	From	To	Peak Season	Records Reviewed
Current Period	August 1, 2021	August 31, 2021	No	20
Period 1	May 1, 2021	May 21, 2021	No	5
Period 2	March 1, 2021	March 31, 2021	No	5
Total				30

Other records reviewed

Personnel records

Machine maintenance records

Production records

Employment contracts

Social insurance documentation

Infirmity logs

Other : forklift inspection, driver license

Health examination records

Security log book

Non-Production records

Legal Permits

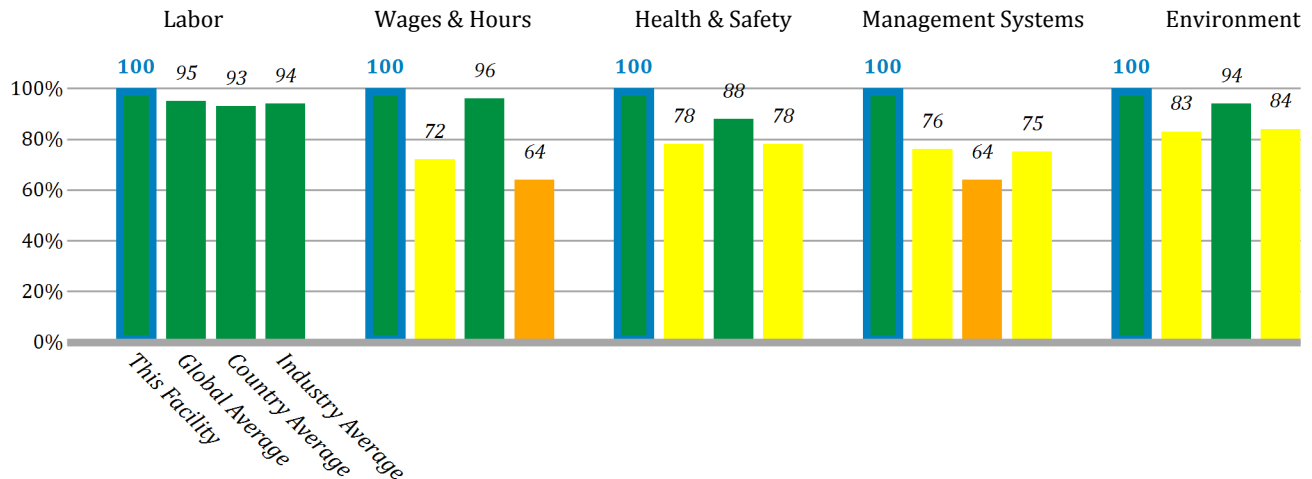
Employee leave register

Young worker registration

B. KEY PERFORMANCE METRICS

B1. COMPARISON BENCHMARK

Current performance — Global average, Hungary average, Electrical and Electronics average

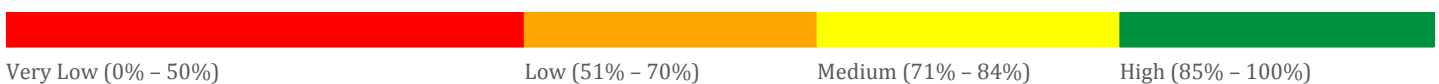


B2. PERFORMANCE TREND ANALYSIS

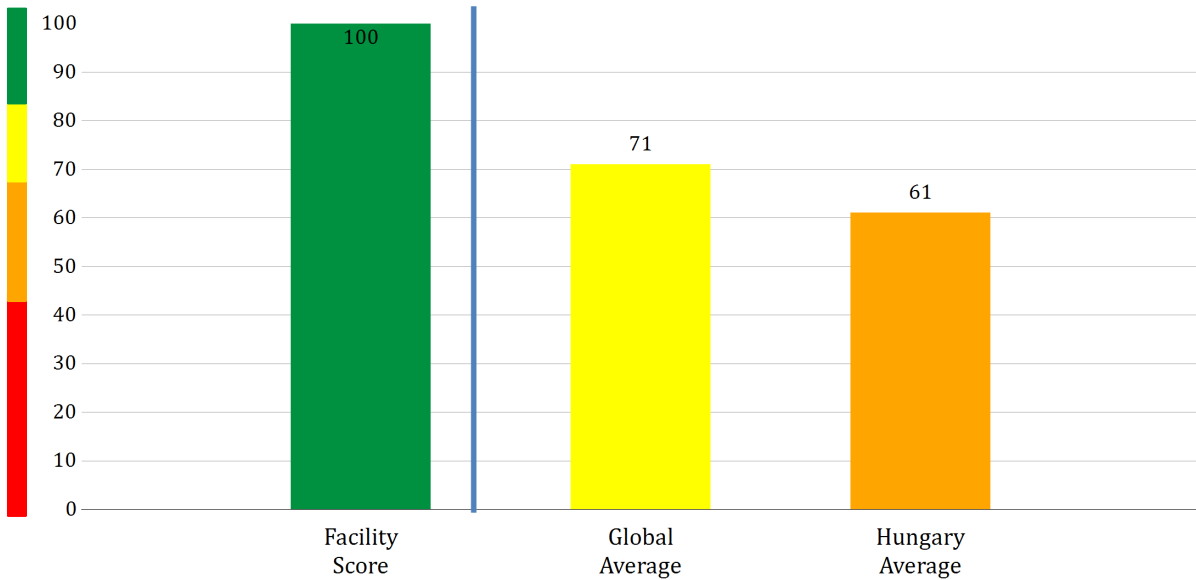
Section Name	Current (16-Sep-2021)	Last (Not Applicable)	First (23-Jan-2013)	Change (Current-Last)	Change (Current-First)
Labor	100	Not Applicable	88	Not Applicable	13 % ▲
Wages & Hours	100	Not Applicable	100	Not Applicable	0 % ■
Health & Safety	100	Not Applicable	85	Not Applicable	17 % ▲
Management Systems	100	Not Applicable	40	Not Applicable	150 % ▲
Environment	100	Not Applicable	100	Not Applicable	0 % ■
Overall Score	100	Not Applicable	84	Not Applicable	19 % ▲

▲ Advancers ■ Constant ▼ Decliner

PERFORMANCE RATING

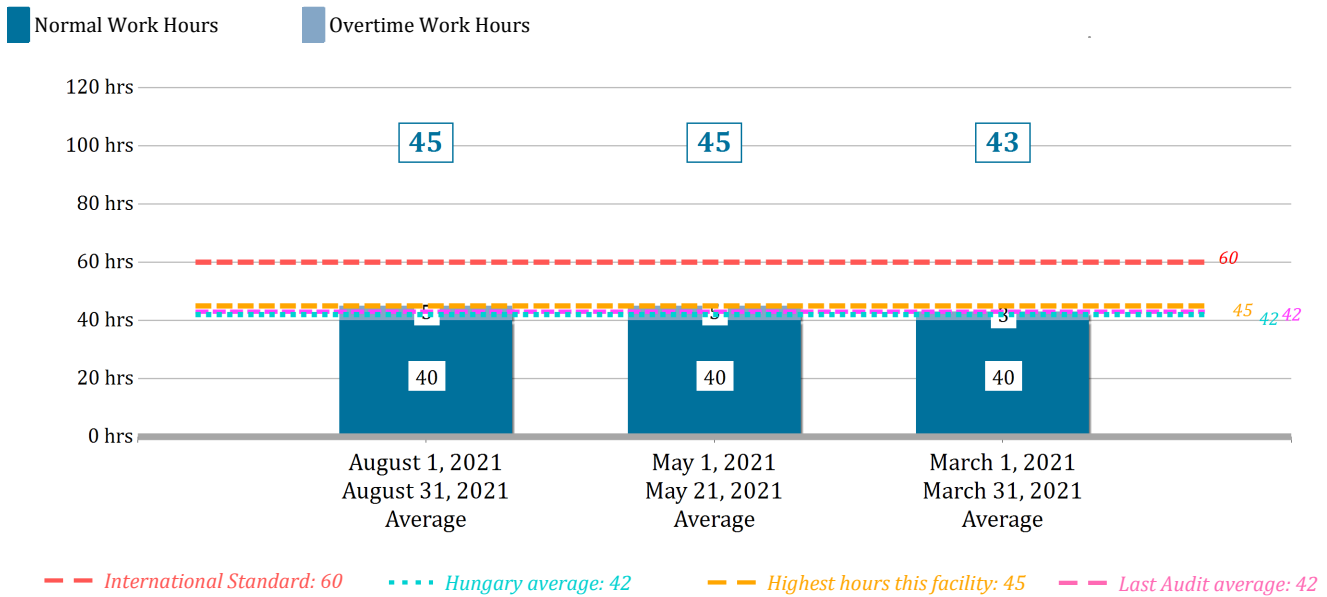


B3. INTEGRITY

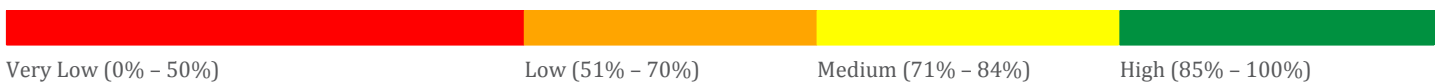


B4. WORKING HOURS AND WAGES

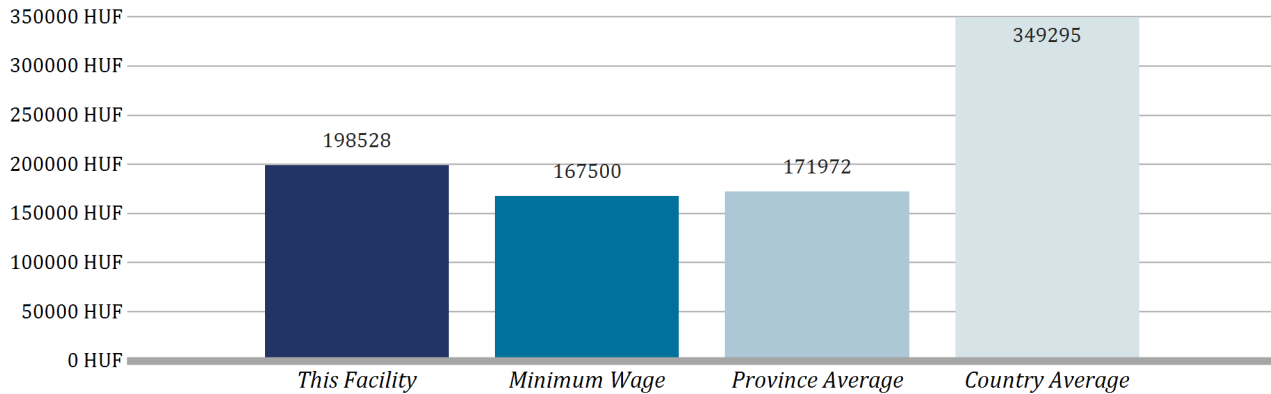
Average total hours worked weekly



PERFORMANCE RATING



Average wages paid in local currency (HUF)



Special wage circumstances:

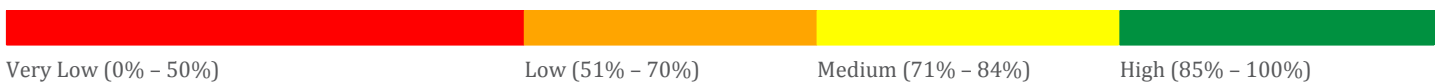
Wages and hours summary:

The employees were paid over the legal minimum wage. Review of payslips showed that all the legally required deductions (pension, unemployment, sickness, income tax) were made and conformed to the legal requirements. Benefits of paid, annual leave was given to all employees. All social insurance payments were passed on to the relevant authority in timely manner (till 12th of each month). All employees were paid till 10th of each month by bank transfer and each of them was given a pay slip and signed for their wages. Job contracts control the different types of shift patterns and working hours. There were two shifts in the facility (06:00-14:00, 14:00-22:00) from Monday to Friday. The wage and working hour policy were communicated in writing to the employees in the contract. OT was found in selected samples and it was corroborated by the employees during the interview.

The factory has one month's long time bank system which allows to deviate from the limit of weekly 8 hours overtime. The overtime for the given period never exceeded the legal limit.

In March 2021, the total number of hours worked (regular+OT) per employee per week ranged from 40 to 48 hours, the maximum weekly hours were 48 hours. In May 2021, the total number of hours worked (regular+OT) per employee per week ranged from 40 to 48 hours, the maximum weekly hours were 48 hours. In August 2021, the total number of hours worked (regular+OT) per employee per week ranged from 40 to 50 hours, the maximum weekly hours were 50 hours. 1 day off were given to employees after 6 consecutive workdays.

PERFORMANCE RATING

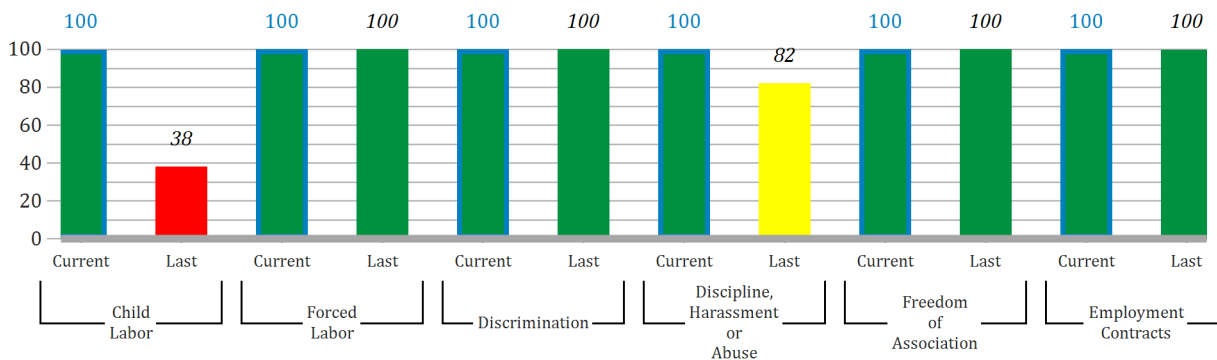


C. PERFORMANCE DETAILS

Current (16-Sep-2021) Last (23-Jan-2013)

C1. Labor

100%



Sub Section: Child Labor

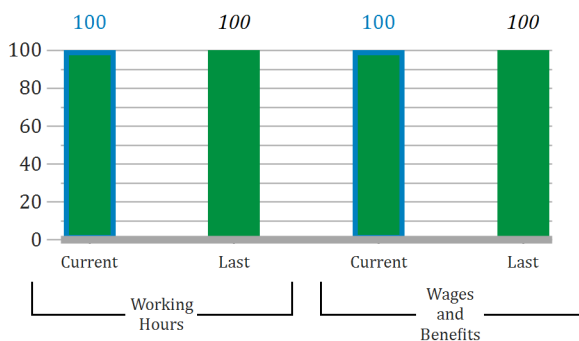
Status	Findings	% Global freq of compliance
● Corrected	40.00 : Previous Non-Compliance : The facility reviews documentation, but does not keep any copies on file for legal proof of age	96%

Sub Section: Discipline, Harassment or Abuse

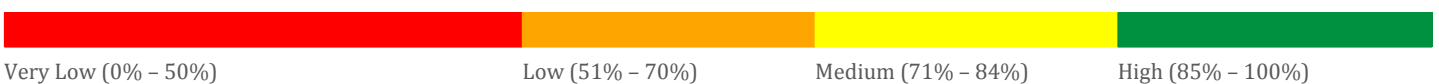
Status	Findings	% Global freq of compliance
● Corrected	76.00 : Previous Non-Compliance : Managers and supervisors are not trained on appropriate disciplinary measures and training records are not maintained.	87%

C2. Wages & Hours

100%

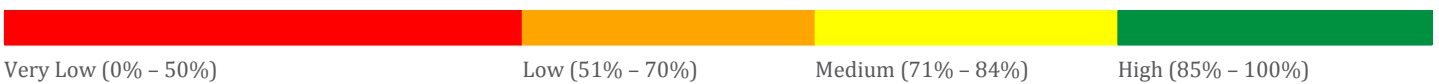


PERFORMANCE RATING



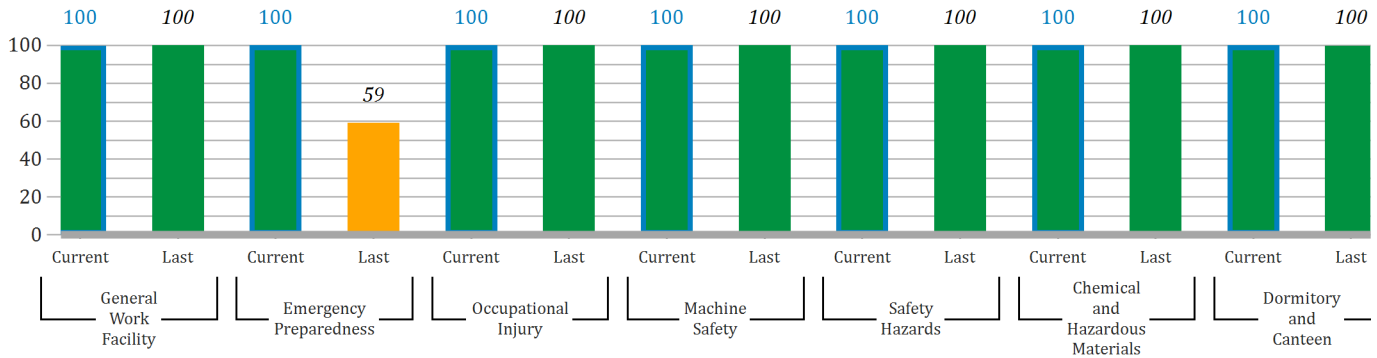


PERFORMANCE RATING



C3. Health & Safety

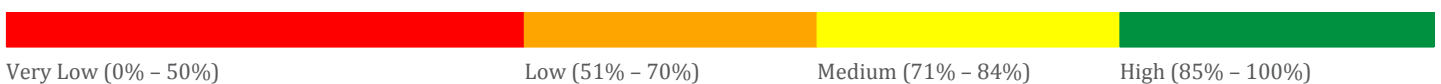
100%



Sub Section: Emergency Preparedness

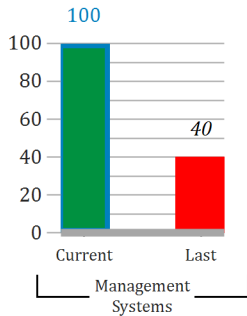
Status	Findings	% Global freq of compliance
● Corrected	197.00 : Previous Non-Compliance : There has not been an emergency evacuation drill for all areas and shifts in the last 12 months or as required by law	82%

PERFORMANCE RATING



C4. Management Systems

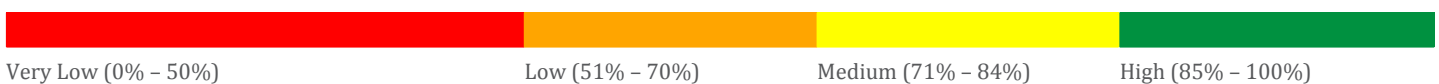
100%



Sub Section: Management Systems

Status	Findings	% Global freq of compliance
● Corrected	293.02 : <i>Previous Non-Compliance</i> : The facility's written social compliance policy does not provide a clear framework for setting social compliance objectives and targets	94%
● Corrected	295.00 : <i>Previous Non-Compliance</i> : The facility's written social compliance policy is not communicated to all employees by at least one of the following methods (in local language): employment contract; employee manual; newsletter/poster; employee training with records	97%
● Corrected	300.00 : <i>Previous Non-Compliance</i> : The facility does not conduct periodic assessments (including internal audit) of its management system in order to identify improvement opportunities	76%
● Corrected	302.00 : <i>Previous Non-Compliance</i> : There are no written records (correspondence, report, meeting minutes, etc) of a regular management review of the social compliance system	70%
● Corrected	304.00 : <i>Previous Non-Compliance</i> : The facility has not appointed either an individual or a committee at the highest possible management level to take responsibility for the social compliance program	92%
● Corrected	305.00 : <i>Previous Non-Compliance</i> : The facility does not provide appropriate training for managers on how to implement its social compliance policies and procedures.	72%

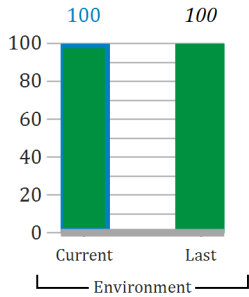
PERFORMANCE RATING



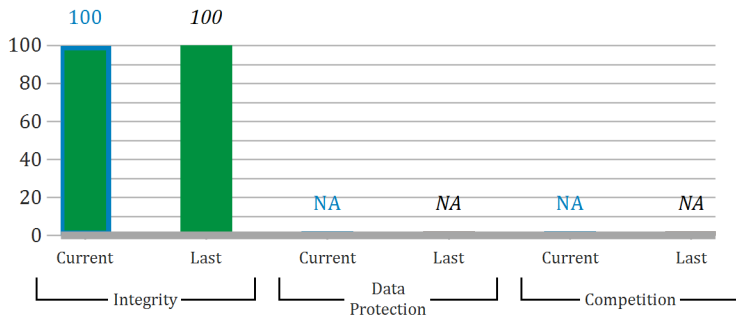


100%

C5. Environment



C6. Integrity



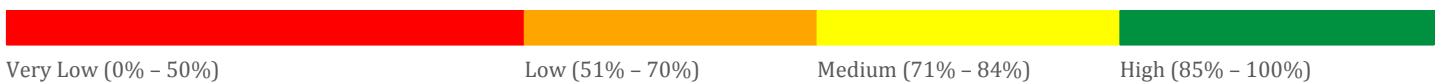
% Global Frequency of Compliance: Represents the implementation percentage performance of all suppliers participating in the WCA Community globally for each issue

Identification numbers: Represents the finding ID associated with each checklist question

RECOMMENDATION FOR IMPROVEMENT PLAN TIMELINE

- Minor Take action within 0 ~ 6 months to make necessary improvements.
- Moderate: Take action within 0 ~ 3 months to make necessary improvements.
- Major : Take action within 0 ~ 1 month to make necessary improvements.
- Zero Tolerance: Take immediate action to make necessary improvements.

PERFORMANCE RATING





D. STRENGTHS AND CHALLENGES

Facility Strengths: Facility performance ranks in the top percentile of the population and/or has implemented a best practice process	Rating	Global Freq. of Compliance%
The facility has comprehensive working hour and wages management processes and procedures in a written manual that support adherence to social compliance requirements and are being properly implemented	Minor	48%
Total overtime hours are within allowable limits under applicable law or agreement.	Moderate	48%
The facility has comprehensive employee safety processes and procedures in a written manual that support adherence to social compliance requirements and are being properly implemented	Minor	51%
The facility provides social security, pensions, healthcare and/ or other insurance to employees as per legal requirement.	Moderate	59%

Challenges: Facility performance ranks in the bottom percentile of the population	Rating	Global Freq. of Compliance%
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