

Workplace Conditions Assessment Report

Measured Results — Improved Performance



CABTEC KFT

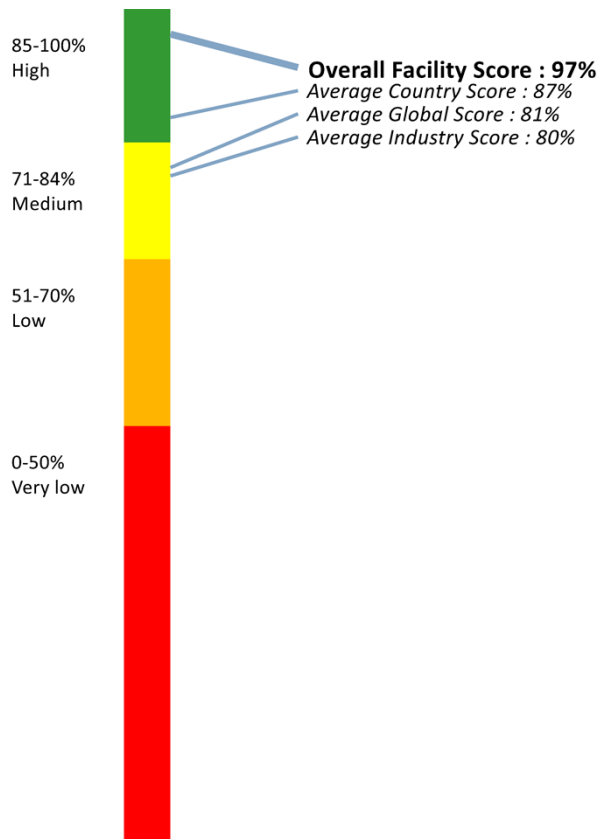
GENERAL INFORMATION

Overall Facility Score: 97%

Reg No:	F_IAR_162896	Country:	Hungary
Audit Date:	22-Feb-2022	Assessment Stage:	Initial
Last Audit:	NA	Schedule Type:	Announced
Mandays:	2	Audit Firm:	Intertek

WORKPLACE PERFORMANCE INDEX AND SUMMARY

Participating facilities: 18345



Assessment area	Score results	Number of non-compliances by rating				
		Zero Tolerance	Major	Moderate	Minor	No Score
Overall	97%	-	-	1	1	-
Labor	100%	-	-	-	-	-
Wages & Hours	100%	-	-	-	-	-
Health & Safety	94%	-	-	1	-	-
Management Systems	96%	-	-	-	1	-
Environment	100%	-	-	-	-	-
Business Practices	100%	-	-	-	-	-

The Performance Index Bar is used to measure and benchmark the facility's score against the other population of audit results in the database using a common scoring algorithm

A. FACILITY PROFILE

A1. FACILITY INFORMATION

Facility Name:	CabTec Kft	Facility Legal Status:	Private
Facility Legal Name:	CabTec Szekszárd Kábelkonfekció gyártó Korlátolt Felelősségű Társaság	Year facility began operations:	1992
Audit Location:	Selyem utca 1.	Located in special economic zone:	NA
City:	Szekszárd	Person responsible for overall social compliance issues:	Tibor Berta, Managing director
Country:	Hungary	Valid certificate for social compliance certification program:	None
Contact Name:	Ákos Haász	Vendor Name:	Not applicable
Contact Title:	Head of CTUS Qualitätsmanagement		
Industry:	Other		
Service Providers:	Janitorial services, Security guards, Human Resources		
Security systems in place:	Fence, 7/24 guarding, CCTV		
Building Description:	There are 4 detached buildings on the site which were built between 1994 and 2014 and made of sandwich panel. The size of the buildings are as follows: Building A: 1007 m2, Building B: 1410 m2, Building C: 2272 m2, Building D: 2856 m2. The size of the site is 12000 m2. There were no dormitory in the facility.		
Special building type:	No special building type		

A2. PRODUCTION INFORMATION

Products manufactured / Services provided:	Manufacturing of cables and components	Time record system(s) used:	Swipe Card system
Production process/ Service elements:	Cutting, crimping, soldering, packaging, delivery	Chemicals or hazardous materials on-site:	Yes Oils, greases, degreasing solvents
Production capacity a week:	150000 pieces	Current production/Services for client:	Not yet
Total number of machines:	238		
Main machine types:	Komax, Schaefer, Schleuniger, Kabatec		
Shifts and Operating hours:	3 shifts 1st shift: 06:00-14:00, 2nd shift: 14:00-22:00, 3rd: 22:00-06:00		

A3. EMPLOYEE INFORMATION

Languages spoken in the facility :	Hungarian, German, English
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Employee nationalities/provinces :	Hungarian	Management and employees speak same language :	Yes
Union/Worker committee :	Not Applicable		
Hires through employment agent :	NA		
Recruitment and hiring process :	The factory has direct and agency workers, who are recruited and employed by the Agency (Pannon Job Kft.). The agency has valid permit from the National Labor Authority. There was a valid contract between the Agency and Auditee. The agency workers are interviewed by the Auditee and they receive the same conditions and terms as direct employees. Only locals are employed, except one Russian national female, who lives in the country with his family.		

Range	Female	Male	Homeworkers	Juveniles
301-500	329	122	0	0

	Permanent	Temporary	Agency	Total
Local	426	0	25	451
Migrant	0	0	0	0
Foreign	0	0	0	0
Total	426	0	25	451

A4. SUBCONTRACTOR INFORMATION

Subcontractor#:	1	Contact Name:	Hauser Judit
Subcontractor Name:	Kresz & Fiedler Műanyagfeldolgozó és Szerszámkészítő Kft.	Email Address:	mail@kresz.hu
Telephone:	NA	Private label items:	No
Address:	Pécsi út 1/1., Pécsvárad, Ungarn	Social Audits performed:	No
Process subcontracted:	Injection moulding	Type of Social Audits:	NA
Process Type:	Other: print, spray, injection, dye, weld, wash, etc.		

CABTEC KFT

A5. GENERAL INFORMATION

The auditors were welcomed by the Quality manager at 08:00. The audit started at 08:00 with the presence of Quality manager, HR generalist and Key Account manager. 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 he summarized the results and thanked the cooperation to the management. Integrity form was signed by the Plant 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: Mask usage was required in the factory, as well as temperature was measured at security guards.

A6. AUDIT PROCESS

Auditor Information

Auditors APSCA ID : **Primary: Zsolt Badacsonyi**
ID#: 21701449

Auditors APSCA ID : **Secondary: Csilla KIRALY**
ID#: 21704061

Audit pay period provided for review

Records	From	To
12	01-Feb-2021	31-Jan-2022
12	01-Feb-2021	31-Jan-2022

Employee interview sampling

Individual	20
Group	2 groups of 5
Total interviewed	30

Special Comments:

Payroll and attendance records sampling

Period	From	To	Peak Season	Records Reviewed
Current Period	01-Jan-2022	31-Jan-2022	No	20
Period 2	01-Sep-2021	30-Sep-2021	No	5
Period 3	01-Mar-2021	31-Mar-2021	No	5
Total				30

Other records reviewed

Personnel records

Non-Production records

Legal Permits

Employee leave register

Health examination records

Security log book

Production records

Employment contracts

Social insurance documentation

Infirmity logs

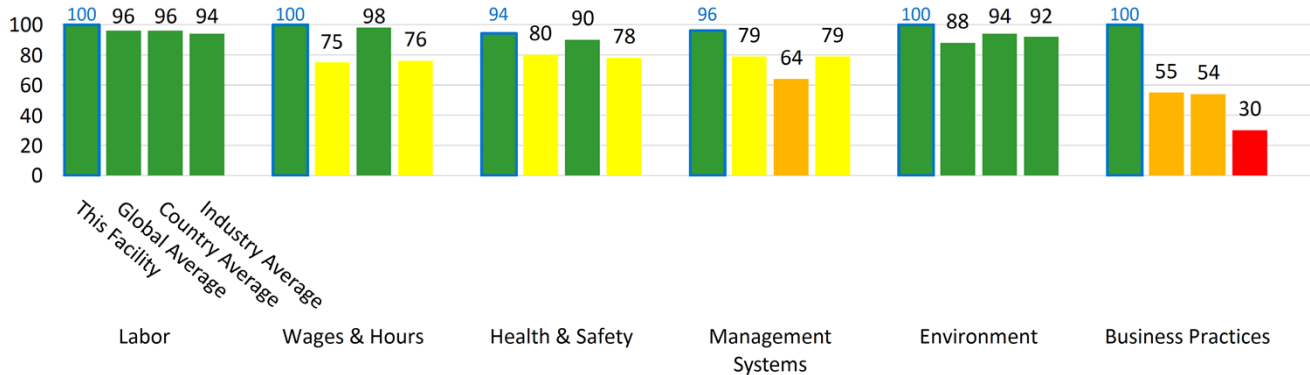
Machine maintenance records

Others: Forklift inspection records, Fire alarm
inspection log

B. KEY PERFORMANCE METRICS

B1. COMPARISON BENCHMARK

Current performance — Global average, Hungary average, Other average



The Comparison Benchmark shows at a glance how this facility is performing in each category in comparison to all other facilities in the database globally, by country and/or industry using the same scoring algorithm.

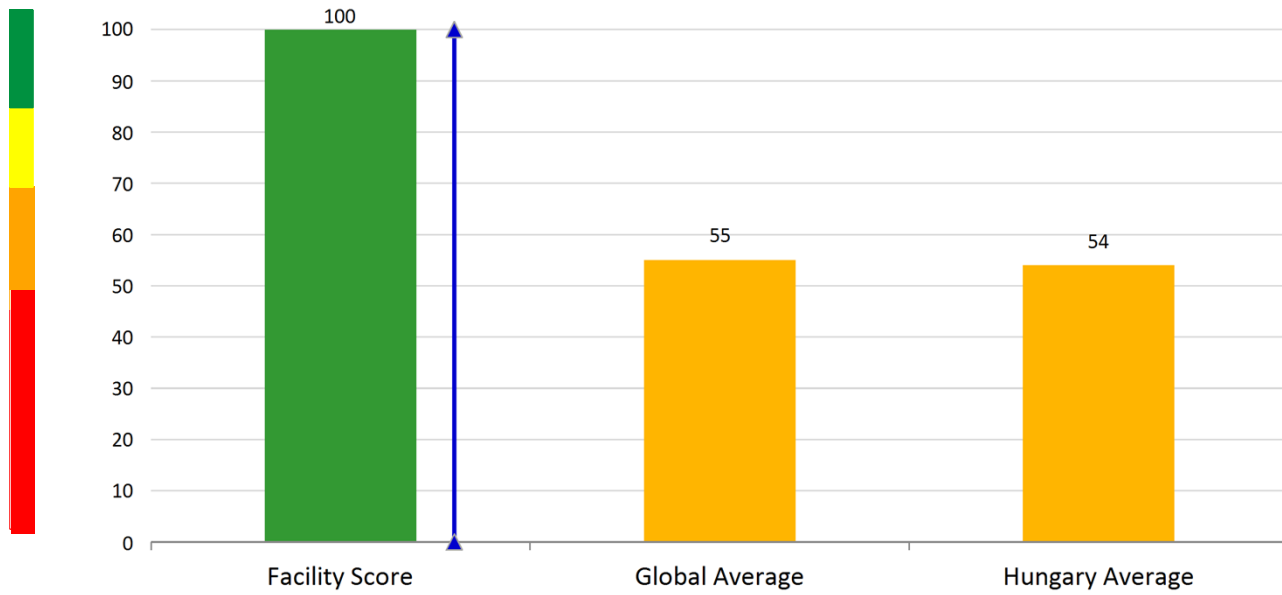
B2. PERFORMANCE TREND ANALYSIS

Section Name	Current (22-Feb-2022)	Last (NA)	First (NA)	Change (Current-Last)	Change (Current-First)
Labor	100	NA	NA	NA	NA
Wages & Hours	100	NA	NA	NA	NA
Health & Safety	94	NA	NA	NA	NA
Management Systems	96	NA	NA	NA	NA
Environment	100	NA	NA	NA	NA
Business Practices	100	NA	NA	NA	NA
Overall Score	97	NA	NA	NA	NA

▲ Advancers ■ Constant ▼ Decliner

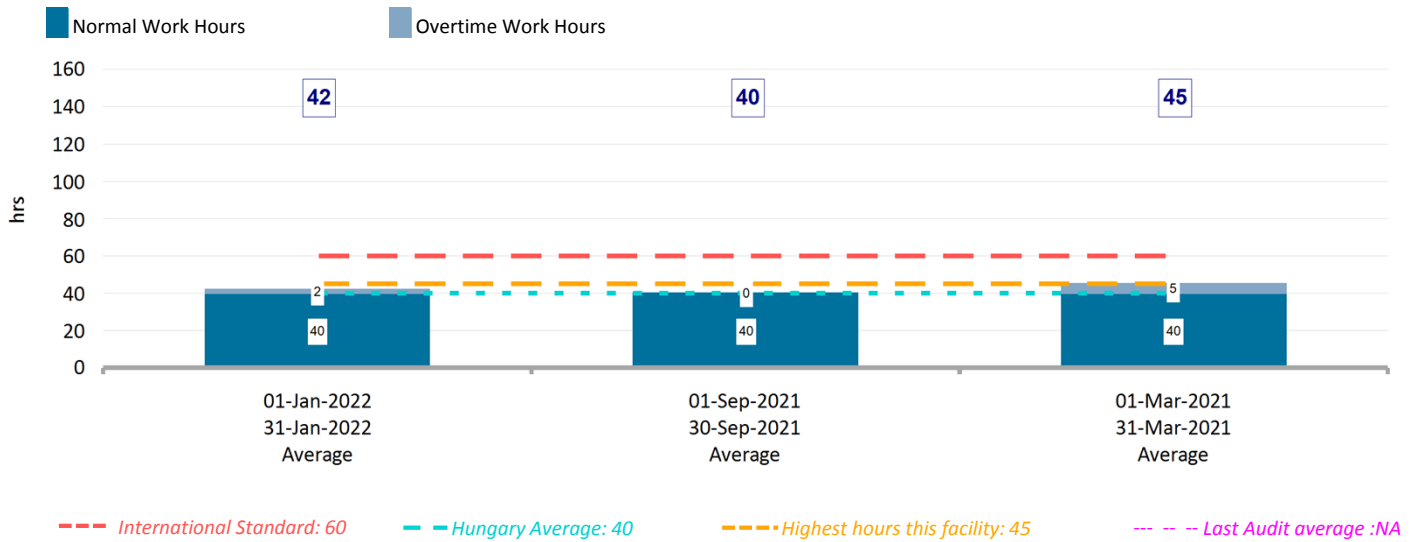
Showcase of the percentage of improvement (or decline) in performance over time for this facility. The current audit result is compared against the last audit completed at this same facility which is subsequently compared to the very first audit done at the facility.

B3. INTEGRITY

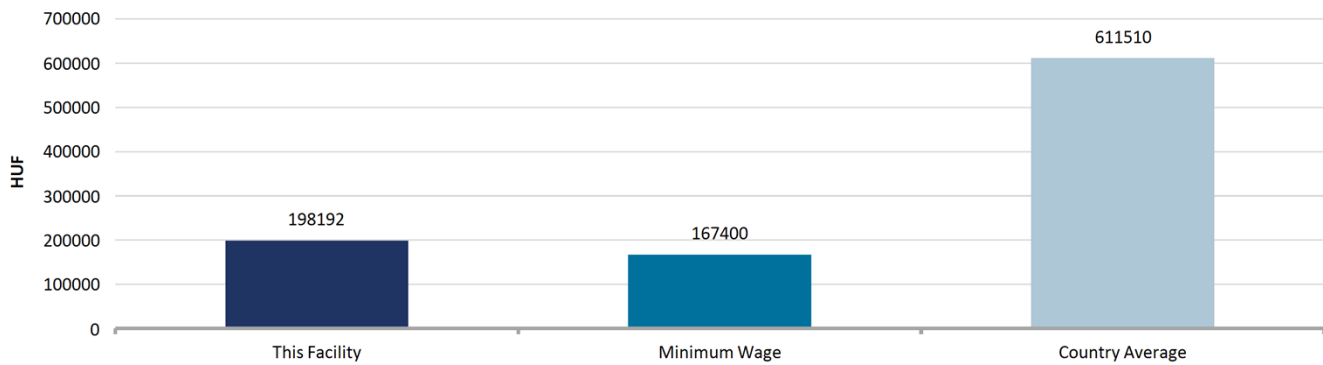


B4. WORKING HOURS AND WAGES

Average total hours worked Weekly



Average wages paid in local currency (HUF)



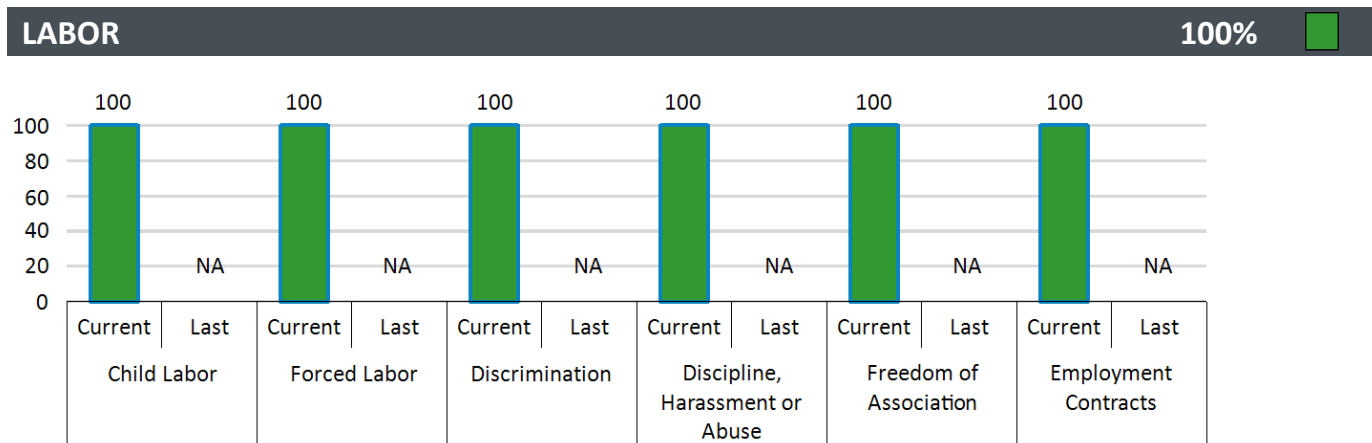
Provincial and country averages are based on average wages paid since past two years.

Special wage circumstances: NA

C. PERFORMANCE DETAILS

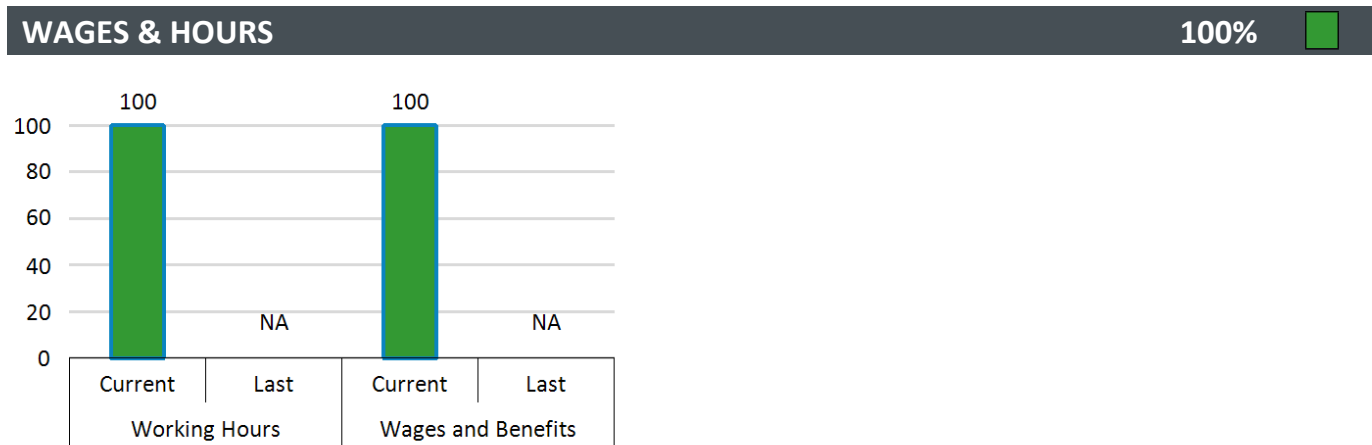
Current (22-Feb-2022) Last (NA)

C1. LABOR



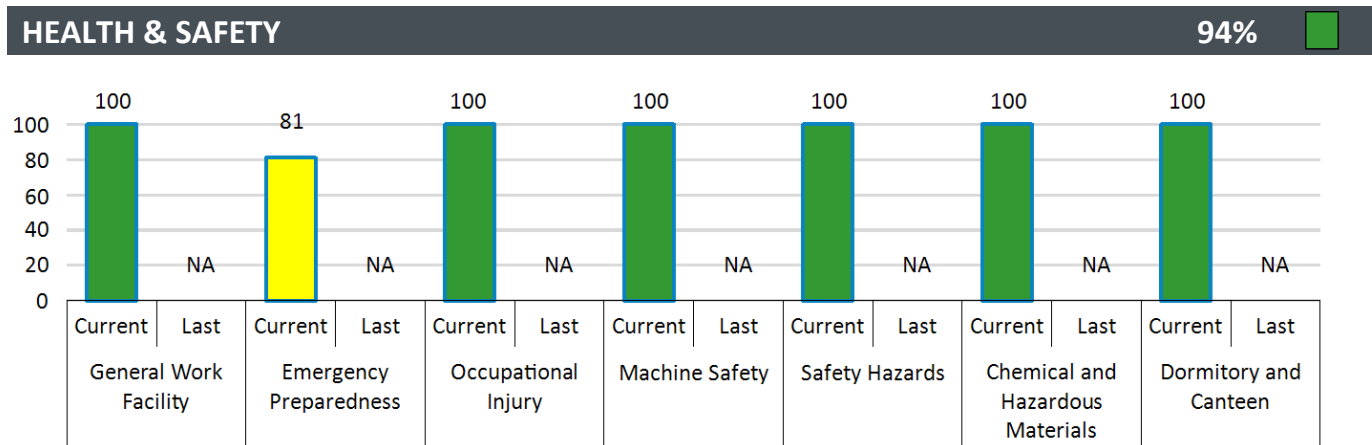
Labor Summary: The employees were provided with a written Job contract made on the language they understand. The agency workers are recruited by the Agency, but interviewed by the Auditee and received the same benefits as employees. There were no child, apprentices or juveniles in the factory, and only permanent workers were employed. There were no any form of forced labor and discrimination in the facility. The workers were aware of their right to join to TU or form a Workers Council, but they decided not to join/form.

C2. WAGES & HOURS



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 three shifts in the facility (06:00-14:00, 14:00-22:00, 22:00-06:00) 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, but never exceeded the 8 hours per week, as required by law and it was corroborated by the employees during the interview. In March 2021 (random month), 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 September 2021 (random month), 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 January 2022 (last current month), 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. 1 day off were given to employees after 6 consecutive workdays.

C3. HEALTH & SAFETY



Health & Safety Summary: The facility was equipped with all the legally required fire emergency equipment, as smoke detectors, fire extinguishers, fire hose cabinets and fire hydrants. 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 in February 2022. Fire drills were conducted in August 13, 2021 at 09:00 in all areas, but only in first (morning) shift.

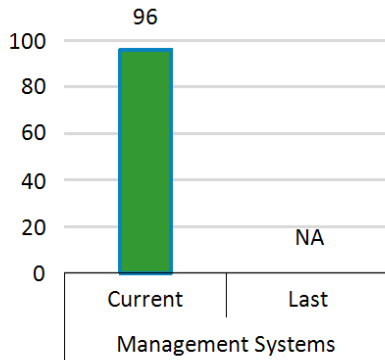
Sub Section: Emergency Preparedness

Status	Findings	% Global freq of compliance
● Moderate	<p>O0323: There has not been an emergency evacuation drill for all areas and shifts in the last 12 months or as required by law or by client specific requirement whichever is stricter.</p> <p>Past occurrences at this facility: NA</p> <p>Auditor's comment The factory does not cover all shifts during the fire drills. The last fire drill was in August 13, 2021 at 09:00 am, but only the morning shift was involved. Local law: Not applicable. Local law does not require fire drill for the factory.</p>	84%

C4. MANAGEMENT SYSTEMS

MANAGEMENT SYSTEMS

96%



Management System Summary: The factory belongs to Cabtec group, hence all corporate policies on social compliance are implemented and trained to all employees. The Managing director is responsible for social compliance and responsibilities on social compliance are controlled in Job Contracts, Job Descriptions and policies. Internal and external audits are conducted annually and an integrated management review on yearly basis. Suppliers are managed by the Headquarters, Code of Conducts are sent to them.

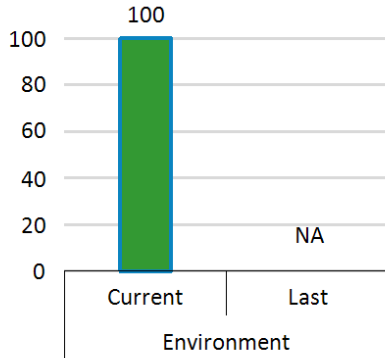
Sub Section: Management Systems

Status	Findings	% Global freq of compliance
● Minor	<p>O0825: The facility has comprehensive emergency preparedness processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented.</p> <p>Past occurrences at this facility: NA</p> <p>Auditor's comment The facility established a Fire Emergency Procedure, but the fire drills are not conducted in all shifts.</p>	54%

C5. ENVIRONMENT

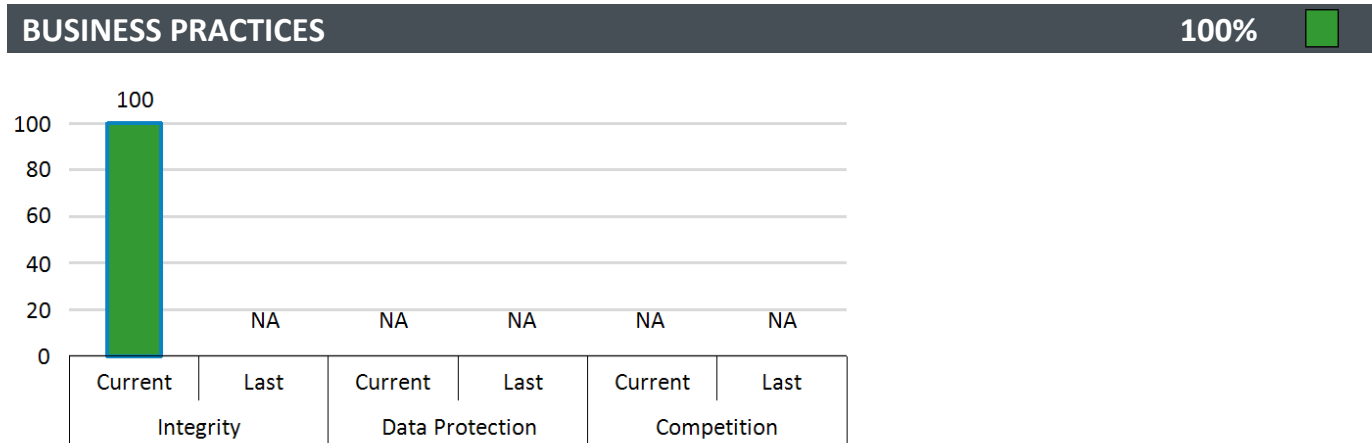
ENVIRONMENT

100%



Environment Summary: The factory is certified against ISO 14001. There was a valid air permit in place for operations. Air permit was valid till February 28, 2025. The factory generates both industrial and hazardous wastes, which are handled by external licensed vendor. The chemicals were provided with Safety Data Sheets made in local language. SDSs were available where chemicals were stored or processed. The staff were trained against environmental protection, personnel dedicated for chemical handling received ADR training from ADR expert. The last impact evaluation was conducted in 2021. The latest emergency drill with chemicals was conducted in September 7, 2021.

C6. BUSINESS PRACTICES



Business Practices Summary: The factory belongs to Cabtec group, hence all corporate policies on business integrity are implemented and trained to all employees. The Managing director is responsible for business integrity and responsibilities on business integrity are controlled in Job Contracts, Job Descriptions and policies. Internal and external audits are conducted annually and management review on yearly basis.

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

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.	Compliant	36%
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.	Compliant	39%
Total overtime hours are within allowable limits under applicable law or agreement.	Compliant	44%
The facility provides social security, pensions, healthcare and/ or other insurance to employees as per legal requirement.	Compliant	58%
The facility conducts periodic assessments/ audits of its business integrity system in order to identify risks and improvement.	Compliant	60%
The facility has comprehensive chemicals management processes and procedures in a written manual that support adherence to social compliance requirements and are being properly implemented.	Compliant	69%
There are written records (correspondence, integrity statistics reports, meeting minutes, monthly reports etc) of a regular Management Review of business integrity incidents and breaches.	Compliant	69%
The facility provides appropriate training for managers on how to implement its social compliance policies and procedures.	Compliant	73%
The facility conducts and/or pays for regular occupational health examinations for employees when applicable.	Compliant	76%
The facility (including construction projects) have the building permits and/or fire safety permits as per the legal requirements.	Compliant	76%

Challenges: Facility performance ranks in the bottom percentile of the population	Rating	Global Freq. of Compliance%
There has not been an emergency evacuation drill for all areas and shifts in the last 12 months or as required by law or by client specific requirement whichever is stricter.	Moderate	84%
The facility has comprehensive emergency preparedness processes and procedures in a written manual that support adherence to social compliance requirements but they are not all being properly implemented.	Minor	54%

Best Practices:

The facility can demonstrate an environmental certification such as ISO14000 or equivalent.	The facility has written procedures in place to determine, manage and control overtime.
The facility has made progress in reducing or eliminating pollution, waste and conserving resources.	The facility has implemented energy saving measures or adopted new technologies that are aiming to save energy.
Facility has an external audit report available for assessment of its business integrity system (audit date within 12 months).	The facility implements an auditing program and audits all suppliers, subcontractors and labor providers.



<p>The facility maintains metrics or key performance indicators for any labor or health & safety issues.</p>	
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