




# Sedex Members Ethical Trade Audit Report

**Version 6.1**



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 403931594	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 404062807
Business name (Company name):	Netzsch Pumpen&Systeme GmbH		
Site name:	Netzsch Pumpen&Systeme GmbH		
Site address: <i>(Please include full address)</i>	Geretsrieder Str. 1, 84478 Waldkraiburg	Country:	Germany
Site contact and job title:	Johann Vetter, Head of Qualitymanagement		
Site phone:	498638632076	Site e-mail:	Johann.Vetter@netsch.com
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	23-25.9.2019		

<b>Audit Company Name &amp; Logo:</b>  	<b>Report Owner (payer):</b> <i>(If paid for by the customer of the site please remove for Sedex upload)</i>  Netzsch Pumpen&Systeme GmbH
----------------------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------

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 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.

Any exceptions to this must be recorded here (e.g. different sample size): No photos were taken. Audit time reduced by 0.75 due to ISO 14001+ OHSAS 18001 certification.

Auditor Team (s) (please list all including all interviewers): Miss Katharina Nowicki, Auditor

Lead auditor: Miss Katharina Nowicki, Auditor APSCA number: No Registration on APSCA  
 Lead auditor APSCA status: Miss Katharina Nowicki, Auditor  
 Team auditor: na APSCA number: na  
 Interviewers: Miss Katharina Nowicki, Auditor APSCA number: No Registration on APSCA

Report writer: Miss Katharina Nowicki, Auditor  
 Report reviewer: Rama S (Report Reviewer)

Date of declaration: 25.9.2019

*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.*

*This report provides a summary of the findings and other applicable information found/gathered during the social audit conducted on the above date only and does not officially confirm or certify compliance with any legal regulations or industry standards. The social audit process requires that information be gathered and considered from records review, worker interviews, management interviews and visual observation. More information is gathered during the social audit process than is provided here. The audit process is a sampling exercise only and does not guarantee that the audited site prior, during or post-audit, are in full compliance with the Code being audited against. The provisions of this Code constitute minimum and not maximum standards and this Code should not be used to prevent companies from exceeding these standards. Companies applying this Code are expected to comply with national and other applicable laws and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater protection. The ownership of this report remains with the party who has paid for the audit. Release permission must be provided by the owner prior to release to any third parties.*

## Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A <a href="#">Universal Rights covering UNGP</a>			<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> <li>• None observed</li> <li>•</li> </ul>
0B <a href="#">Management systems and code implementation</a>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> <li>• None observed</li> <li>•</li> </ul>
1. <a href="#">Freely chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none"> <li>• None observed</li> <li>•</li> </ul>
2 <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none"> <li>• None observed</li> <li>•</li> </ul>
3 <a href="#">Safety and Hygienic Conditions</a>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	2			<ul style="list-style-type: none"> <li>• The access to 3 fire extinguishers is blocked (area/ factory No 2 Quality control, area/ factory No1 warehouse, area/ factory No 3 warehouse). This is a violation against ASR 2.2/5.2.3(Occupational safety guidelines).</li> <li>• One emergency escape route in the outside area is blocked by pallet (area/ factory No 1). This is a violation against ASR A.2.3</li> </ul>

4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none"> <li>• None observed</li> <li>•</li> </ul>
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>			6	<ul style="list-style-type: none"> <li>• Christmas and vacation bonus</li> <li>• Clothes and cleaning of clothes for free</li> <li>• Annual Christmas and summer celebration</li> <li>• Water for free for all employees.</li> <li>• Charity programs</li> <li>• Subsidy for lunch, hearing aids, glasses, special payments, special days off</li> </ul>
6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none"> <li>• None observed</li> </ul>
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none"> <li>• None observed</li> </ul>
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> <li>• None observed</li> </ul>
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> <li>• None observed</li> </ul>
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> <li>• None observed</li> </ul>
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> <li>• None observed</li> </ul>
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> <li>• None observed</li> </ul>
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> <li>• None observed</li> </ul>
10C	<u>Business Ethics</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> <li>• None observed</li> </ul>

General observations and summary of the site:									
<p>Intertek Certification GmbH assessed Netzsch Pumpen&amp;Systeme GmbH against the ETI Basecode and local laws on a random sampling basis. This Initial SMETA audit was done by 1 auditor in 2,75 days (2,75 mandays). The audit was conducted by collecting samples of evidence in various forms such as documents, interviews and observations. Netzsch Pumpen&amp;Systeme GmbH is located in the town Waldkraiburg and is a specialist in the production, distribution, commissioning and service of pumps and dosing technology. The facility is privately owned. Facility does not use Homeworkers but currently 15 agency workers.</p> <p>The opening meeting was attended by the auditors Katharina Nowicki (Lead Auditor), Johann Vetter (Head of Qualitymanagement), Rita Buchner (HR Manager), Angelika Gründl (HR Assistant), Paul Peter (Worker Council), Vera Birken (Deputy of Worker Council), Tobias Weber (Occupational safety specialist), Kevin Perseis (Quality Manager), Gerhard Höpfinger (Quality Manager).</p> <p>A complete facility tour has been done and employee interviews have been conducted. The atmosphere was friendly. Physical access is controlled through keys and chip cards. The building complex is made of stable materials. No cracks or other defects have been noticed. There are no other companies located within facility premises.</p> <p>Facility areas: 3 buildings with administration, production, warehouse, social rooms.</p> <p>Facility employs 621 employees. The youngest worker found was 17 years old.</p> <p>Standard working hours are 35.0 hours per week. Depending on department facility works in dayshift or three shifts (05:00 to 12:00, 12:00 to 19:00 and 19:00 to 02:00) from Monday to Sunday (following 2 days off). Overtime is reduced as free days.</p> <p>The closing meeting was attended by the auditors Katharina Nowicki (Lead-Auditor), Johann Vetter (Head of Qualitymanagement), Rita Buchner (HR Manager), Angelika Gründl (HR Assistant), Paul Peter (Worker Council), Vera Birken (Deputy of Worker Council), Tobias Weber (Occupational safety specialist), Kevin Perseis (Quality Manager), Gerhard Höpfinger (Quality Manager).</p> <p>The following months have been reviewed for 42 employees:</p> <ul style="list-style-type: none"> <li>Working hour's records: January 2019 (random), July 2019 (random) and August 2019 (recent).</li> <li>Wage records: August 2019 (recent), January 2019 (random) and July 2019 (random).</li> </ul> <p>42 employees were randomly selected for interviews. Employees were selected from various departments.</p>									

The works council is on site and the employment contracts are according German law.

There is a Workers' Council but there are no Union Representatives present at this facility (not common in Germany). Employees talk to Workers Committee or directly to supervisors or management.

Employees said the work climate was very good and felt they are well treated.

**Findings:**

- The access to 3 fire extinguishers is blocked (area/ factory No 2 Quality control, area/ factory No1 warehouse, area/ factory No 3 warehouse). This is a violation against ASR 2.2/5.2.3(Occupational safety guidelines).
- One emergency escape route in the outside area is blocked by pallet (area/ factory No 1). This is a violation against ASR A.2.3.

**Observations:**

None observed

**Good examples:**

- Christmas and vacation bonus
- Clothes and cleaning of clothes for free
- Annual Christmas and summer celebration
- Water for free for all employees.
- Charity programs
- Subsidy for lunch, hearing aids, glasses, special payments, special days off.

*\*Please note the table above records the total number of Non-compliances (NC), Observations (Obs) and Good Examples (GE). This gives the reviewer an indication of problem areas but does not detail severities of each issue – Reviewers need to check audit results by clause.*