

Overview

1. Audit Information

Audit report number:	0697989-02
Audit company:	ERM
Lead Auditor:	Hanna Juras
Co-Auditor:	Uwe Beständig

Audit Date: (yyyy-mm-dd)	2023-12-07
Audit type:	initial
Follow up report number: (if applicable)	
Witnessed audit?	no

2. Supplier Information

Company name (legal entity):	Grillo-Werke Aktiengesellschaft
Company site name (if different):	Grillo Chemical Division - Duisburg
Supplier ID:	04198
Duns number:	31-562-9667
Tax number:	DE811166840
Valid business license?	yes
Date of validity: (yyyy-mm-dd)	
Business license number:	Duisburg District Court Registry number: HRB 105
Site date of foundation: (yyyy-mm-dd)	1905-02-14

Site contact name:	Dr. Ingo Biertümpel
Function / Job title:	Site Management Duisburg
Contact phone number:	+49 203 5557-297
Contact email:	i.biertuempel@grillo.de
Site state / province:	Nordrhein-Westfalen
Site country:	Germany

3. Audit Findings

Answered questions	145 (of 145)
Thereof questions answered with n/a	7 (4,8%)

Total Score	94%
Total Points / max. Points	188 / 200

Finding Category	Minor	Major	Critical	Total Points [max. Points]
Environment	2	0	0	36 [40]
Health & Safety	2	0	0	56 [60]
Labor & Human Rights	1	0	0	58 [60]
Management	1	0	0	18 [20]
Governance	0	0	0	20 [20]
Total	6	0	0	188 [200]

Please note: Not all questions have been answered!

Additional information:

Have there been investigations or legal proceedings regarding corruption / bribery / fraud in the last five years?	no
Are hazardous goods produced or worked with in production?	yes
Does the company operate containment facilities to temporarily contain fire water, including rain?	yes
Is the company considered energy intensive (high carbon footprint)?	yes
Is electrical power purchased by the site generated by traditional fossil fuels (fuel oil, coal, diesel, LPG, natural gas)?	yes
Is the company fresh water intensive and poses a water scarcity risk to the environment in which it operates?	no
Where is the supplier site located?	close to urban/residential areas

Supplier Information

Legend:

please fill field
field is filled

1. Supplier Details

Company name (legal entity):	Grillo-Werke Aktiengesellschaft	Site contact name:	Dr. Ingo Biertümpel
Company site name (if different):	Grillo Chemical Division - Duisburg	Function / Job title:	Site Management Duisburg
Supplier ID	04198	Contact phone number:	+49 203 5557-297
Duns number (9-digit code)	31-562-9667	Contact email:	i.biertuempel@grillo.de
Tax number:	DE811166840	Site address (street, number):	Weseler Straße 1
Valid business license?	yes	Site address 2 (street, number):	
Date of validity: (yyyy-mm-dd)		Site zip code and city:	47169 Duisburg
Business license number:	Duisburg District Court Registry number: HRB 105	Site state / province:	Nordrhein-Westfalen
Date of site foundation: (yyyy-mm-dd)	1872	Site country:	Germany

2. Company Site Overview

Site size (in square meters):	67500	Number of permanent employees:	141
Number of buildings:	13	Number of temporary workers:	3
Main business activities:	Raw Materials - Chemicals	Number of seasonal workers:	0
Brief description of business activities:	Production of chemicals, i.e. sulphuric acid, zinc sulphate and related products	Other workers (e.g. homeworkers): Please specify:	0
		Number of other workers:	0
		Total number of employees:	144
		... thereof <u>female</u> employees:	25
		... thereof <u>male</u> employees:	119
Audit Scope: Please specify if different from site	In consultation with the requesting TfS member, the audit scope was limited to the production of SO ₂ and zinc sulphate, and therefore confined to the activities of Grillo's Chemical Division.		
Auditor site description: Please note down any observations contributing to the understanding of the audit documentation (e.g. complexity of site, state of maintenance of the site, special risk areas for environment or people)	<p>The Chemical Division of Grillo is engaged in the sulphuric acid / SO₂ and recycling business (including a cracking facility), while spent sulphuric acids from industrial processes are being recycled. In addition, zinc sulphate is produced on-site. The site represents one of the largest recycling facilities for spent sulphuric acid in Europe (around 120,000 t of recycled sulphuric acid per year). The production facility for zinc sulphate represents the largest production within Europe (since 1932), with a permitted capacity of 25,000 t of zinc sulphate per year.</p> <p>141 employees are working in Grillo's Chemical Division. The production takes place in a three-shift system (7 days a week). Around 13 building complexes belong to the Grillo Chemical Division, which mainly include production and process related buildings, as well as storage-, R+D-related and administrative buildings. The Grillo site premises comprise of 204,576 m², of which around one third relates to the Chemical Division (67,500 m²).</p> <p>Grillo is a stock-listed company, with the majority of shares being held by the Grillo family.</p>		

3. Additional information on supplier / audited site:

3.1 Is the company member of any organization or initiative that promotes sustainability?

1. UN Global Compact	no	3. Other (please specify):	
2. Responsible Care Initiative	yes	4. Other (please specify):	

3.2 Does the company have any valid certification on management systems?

(yyyy-mm-dd)

1. Quality Management e.g. ISO 9001	yes	Valid until:	2026-12-01
2. Good Manufacturing Practices, e.g. GMP ISO 22716	no	Valid until:	
3. Environmental Management, e.g. ISO 14001 or EMAS	yes	Valid until:	2026-12-01
4. Occupational Health and Safety, e.g. OHSAS 18001	no	Valid until:	
5. Energy management, e.g. ISO 50001	yes	Valid until:	2024-05-17
6. Responsible Care Assessment	no	Date of Assessment:	
7. Labor Standards, e.g. SA 8000	no	Valid until:	
8. Other (please specify):	ISO 22000 (Food Safety Management System)	Valid until:	2024-12-16

3.3 Have there been investigations or legal proceedings regarding corruption / bribery / fraud in the last five years?

no

3.4 Are hazardous goods produced or worked with in production?

yes

3.5 Does the company operate containment facilities to temporarily contain fire water, including rain?

yes

3.6 Is the company considered energy intensive (high carbon footprint)?

yes

3.7 Is electrical power purchased by the site generated by traditional fossil fuels (fuel oil, coal, diesel, LPG, natural gas)?

yes

3.8 Is the company fresh water intensive and poses a water scarcity risk to the environment in which it operates?

no

3.9 Where is the supplier site located?

close to urban/residential areas

(if "Other" is selected, please describe)

Audit Information

Legend:

please fill field
field is filled

1. Audit Report Details

Audit report number:	0697989-02
Audit type (initial, follow-up or re-audit):	initial

Follow-up audit number:
(please enter on follow-up sheet)

2. Auditor Details

Audit Company:	ERM
Lead Auditor Location:	Munich, Germany
Lead Auditor Name:	Hanna Juras
Lead Auditor Review Subjects	
Environment	no
Health & Safety	no
Labor & Human Rights	yes
Management	yes
Governance	yes
Lead Auditor phone number:	+49 6102 206 212
Lead Auditor email:	hanna.juras@erm.com

Local coordinator for TfS audits:	Carolin Kappes
Co-Auditor Location:	Hamburg, Germany
Co-Auditor Name:	Uwe Beständig
Co-Auditor Review Subjects	
Environment	yes
Health & Safety	yes
Labor & Human Rights	no
Management	no
Governance	no
Co-Auditor phone number:	+49 (0) 6102 206126
Co-Auditor email:	uwe.bestaendig@erm.com

3. Audit Details

	(yyyy-mm-dd)
Starting date:	2023-12-07
Number of auditor days used (person days):	2,0
Individual Interviews conducted:	yes
Number of individual interviews:	8
... thereof Female	2
... thereof Male	6

	(yyyy-mm-dd)
Ending date:	2023-12-07
Was it allowed to take photos?	yes
Witness audit conducted?	no
EcoVadis assessments available for review?	yes
Group interviews conducted?	yes
Total number of group interviews:	2

Departments included in interviews	
Top Management	yes
Production	yes
Warehouse & Logistics	no
Security	no
Health, Safety & Environment	yes
Quality	yes
Human Resources	yes

Who attended the opening meeting? (Name, Function)

Mr. Ingo Biertümpel - Site Management Duisburg and Quality Management
 Mr. Raimund Rode - Sulphur Technology Lead
 Mr. Bastian Bach – Sustainability Lead
 Mr. Timo Esch – Lead of 'ZnSO4' Department
 Mr. Hermann Tuschka – Energy Technology Lead
 Mr. Thilo Horstmann – Responsibility Chemical Activities
 Ms. Claudia Kruczek – HR Lead
 Ms. Bianca Spelleken – Lead of Workers' Council
 Mr. Alexander Boss – Representative for Hazardous Incidents, Wastewater and Waste Representative
 Mr. Carsten Honekamp – EHS Lead, Safety Officer
 Mr. Robert Ziegler – Representative for Waste, Hazardous Substances as well as Hazardous Goods

Who attended the closing meeting? (Name, Function)

Mr. Ingo Biertümpel - Site Management Duisburg and Quality Management
 Mr. Thilo Horstmann – Responsibility Chemical Activities
 Mr. Carsten Honekamp – EHS Lead, Safety Officer
 Mr. Bastian Bach – Sustainability Lead

Who attended the audit? (Name, Function)

Mr. Ingo Biertümpel - Site Management Duisburg and Quality Management

Other (Please list)	Workers' Council	<p>management</p> <p>Mr. Raimund Rode - Sulphur Technology Lead Mr. Bastian Bach – Sustainability Lead Mr. Timo Esch – Lead of 'ZnSO4' Department Mr. Hermann Tuschka – Energy Technology Lead Mr. Thilo Horstmann – Responsibility Chemical Activities Ms. Claudia Kruczek – HR Lead Ms. Bianca Spelleken – Lead of Workers' Council Mr. Alexander Boss – Representative for Hazardous Incidents, Wastewater and Waste Representative Mr. Carsten Honekamp – EHS Lead, Safety Officer Mr. Robert Ziegler – Representative for Waste, Hazardous Substances as well as Hazardous Goods Mr. Lothar Konrad - Compliance Manager</p>
---------------------	------------------	--

4. Local Laws & Regulations

Standard work week (provide total hours excluding overtime):	35,0	Emission trading scheme CO2:	yes
Maximum allowed overtime hours per week (h):	10,0	Emission trading scheme NOx:	no
Minimum legal work age (provide age in years):	15,0	Emission trading scheme SOx:	no
Minimum legal wage for standard hours (in EUR):	18,4	Globally Harmonized System (GHS):	yes
Minimum legal overtime wage (in EUR):	23,0	REACH or similar:	yes
Social security system:	yes	Other (please specify):	
Other (please specify):	-	Other (please specify):	

Audit Corrective Action Plan (CAP)

Audit Report Number: 0697989-02

Note: The purpose of this Audit Corrective Action Template is to document the mutual understanding of the audit findings and corrective actions.

On the audit day :

- Consensus is achieved on the findings between auditor and supplier management
- Criticality of findings (minor, major, critical) is assigned and documented by the auditor (ref. notes to the auditor)
- Findings and proposed corrective actions are clearly described by the auditor and understood by the site, confirmed with the signatures of both: the supplier representative and the lead auditor.

After the audit:

The supplier has the responsibility to complete the corrective actions where they are missing and has the opportunity to amend corrective actions proposed by the auditor directly in the below table. In case of amendments proposed, the supplier has to send the sheet to the audit company for validation no later than 10 working days after the audit date. If the supplier agrees with the corrective actions originally proposed no further action is needed. However, no fields must be left empty in all lines where findings are listed.

The completion dates shall be set in a reasonable timeframe appropriate to the respective finding. For critical findings, this shall be typically not more than 1 month, for major findings not more than 3 months. Longer deadlines shall be justified.

The audit company remains responsible to validate the adequacy of corrective actions and completion dates proposed by the supplier and documented in the CAP. Once the auditor accepts the CAP, the full audit report is to be shared with the supplier for comment before finalizing the report. The supplier should provide their comments within 10 days.

In case of amendments, the CAP needs to be signed again by both parties (lead auditor and supplier) for the document to be valid.

Confirmation

With my signature I confirm that the below mentioned findings and proposed corrective actions have been discussed and agreed upon. Furthermore I confirm to submit the final corrective action plan (CAP) including planned completion dates within 10 working days to the audit company using this "CAP" template.

Site Representative Signature	Company Name: Grillo-Werke Aktiengesellschaft
	Dr. Ingo Biertümpel
Auditor Signature	Audit Company: ERM
	Hanna Juras

Comments from the supplier (if any)

-

Summary of positive findings / good practices

Please specify strengths of the company with regard to management systems and performance in the 5 audit pillars (if any)

- Site operations comprising of recycling of 'wastes' such as contaminated sulphuric acid ("Spaltsäure") and zinc-containing airborne dust generally considered as sustainable operations, i.e. working towards a circular economy and 'Closing the Loop'.
- Implemented various management systems (ISO 9001, ISO 14001, ISO 50001, ISO 22000 etc.) based on type of service areas and industry sector.
- Good supply chain management together with contracted 3rd party (Ecovadis), as several processes have been implemented in order to assess suppliers and their specific risks relating to labour laws and human rights following the newly implemented EU Supply Chain Reporting Directive (in Germany: Lieferkettensorgfaltspflichtengesetz).
- Die allgemeinen Standortaktivitäten, die das Recycling von „Abfällen“ wie verunreinigter Schwefelsäure („Spaltsäure“) und zinkhaltigem Flugstaub umfassen, werden allgemein als nachhaltig angesehen, d. h. auf eine Kreislaufwirtschaft hinarbeitend und „den Kreislauf schließend“.
- Implementierung verschiedener Managementsysteme (ISO 9001, ISO 14001, ISO 50001, ISO 22000 usw.) aufgrund von verschiedenen Servicebereichen und Branchen.
- Gutes Lieferkettenmanagement gemeinsam mit Vertragspartnern (Ecovadis); es wurden mehrere Prozesse implementiert, um Lieferanten und die damit verbundenen spezifischen Risiken für Arbeitsetzende und Menschenrechte gemäß des neu umgesetzten EU-Lieferkettengesetzes (in Deutschland: Lieferkettensorgfaltspflichtengesetz) zu bewerten.

Corrective Action Plan

Tip: To get an overview of the open findings use the filter in column C

Reference number (filled automatically)	Finding type (filled automatically)	Details / Description of Finding (Discussed during the closing meeting)	Corrective Actions (Proposed Corrective actions and best practice sharing, discussed and agreed on during the closing meeting. Supplier to finalize corrective actions within 10 days from Audit)	Completion Date (Discussed and agreed on during the closing meeting) yyyy-mm-dd
Management / M3.2	minor	Missing AwSV Training of employees. Missing practical training of employees regarding utilization of ear protection (PPE). Die nach Verordnung EU 2016/425 notwendige praktische Unterweisung zum Tragen von Gehörschutz wurde bisher nicht durchgeführt.	Perform pending (practical) training of employees, and include it into the Health and Safety documentation as well as into the training matrix / overview. Die praktische Unterweisung zum Tragen von Gehörschutz sollte durchgeführt und in der Trainingsübersicht dokumentiert werden.	2024-03-06

<p>Environment / E3.2</p>	<p>minor</p>	<p>A container for sewer covers was misused as a rubbish bin. Ein Behälter für Kanalabdeckungen wurde als Mülltonne genutzt.</p>	<p>The waste should be removed from the container. The container should be resealed and the employees instructed accordingly. Der Müll sollte aus dem Behälter entfernt werden. Der Behälter sollte wieder versiegelt und die Mitarbeiter entsprechend unterwiesen werden.</p>	<p>2024-03-06</p>
<p>Environment / E3.5</p>	<p>minor</p>	<p>No targets in place for reduction of water consumption. Es gibt keine Zielsetzungen zur Reduzierung des Wasserverbrauchs.</p>	<p>Define water consumption target and potentially include in management review as new KPI. Aus den Wasserverbrauchsdaten sollten Ziele zur Reduzierung abgeleitet und ggf. als neue Zielgröße implementiert werden.</p>	<p>2024-06-06</p>
<p>Health & Safety / H4.5</p>	<p>minor</p>	<p>No clear separation of traffic routes (forklifts etc.) and pedestrian paths. Missing railing in control room. Eine Trennung von Fahr- und Fußwegen erfolgt nur teilweise. Bestehende Markierungen sind stark abgenutzt. An einer Rampe im Kontrollraum fehlt ein Geländer zur Sturzvorbeugung</p>	<p>Clearly mark related routes and paths and install railing in control room. Fahr- und Fußwege sollten klar getrennt und markiert werden. In Kontrollraum sollte ein Geländer installiert werden.</p>	<p>2024-06-06</p>
<p>Health & Safety / H6.1</p>	<p>minor</p>	<p>Currently, no medical prevention programs for employees are in place (since Covid, as well as due to saving measures). Derzeit werden keine medizinischen Präventionsprogramme angeboten (diese wurden im Rahmen von Corona bzw. als Sparmaßnahmen eingestellt).</p>	<p>Reintroduce medical prevention programs for employees. Die medizinischen Präventionsprogramme sollten wieder angeboten werden.</p>	<p>2024-12-06</p>
<p>Labor & Human Rights / L4.8</p>	<p>minor</p>	<p>No free benefits, such as free coffee, tea, fresh foods, or corporate benefits / discounts regarding public transportation, clothing etc. are offered. No company celebrations (christmas or summer parties, children - christmas day) and or anniversary celebrations for employees have been carried out since start of Covid in 2020. No pensioner trips and/or additional payments (3x monthly salary) for planned pensions are organized anymore. Employees wish to re-connect with each other since social connections and networking have not been possible during the past years. Es werden keine Mitarbeitervorteile wie kostenloser Kaffee, Tee, frische Lebensmittel oder Firmenvorteile/Ermäßigungen in Bezug auf öffentliche Verkehrsmittel, Kleidung usw. angeboten. Seit Covid-Beginn im Jahr 2020 fanden keine Firmenfeiern (Weihnachts- oder Sommerfeste, Kinder-Weihnachtstage) und/oder Jubiläumsfeiern von Mitarbeitern mehr statt. Es werden keine Rentnerausflüge und/oder Zuzahlungen mehr (3x Monatsgehalt) für angehende Rentner organisiert. Die Mitarbeiter wünschen sich mehr Kontakt untereinander, da soziale Kontakte in den letzten Jahren nicht ausreichend möglich waren</p>	<p>Reintroduce / organize company celebrations to provide possibility for employees to (re)connect with each other. Small additional corporate benefits, such as free coffee and / or offering of fresh foods or snacks, might be considered. Firmenfeiern sollten wieder eingeführt werden, um den Mitarbeitern die Möglichkeit zu geben, sich (wieder) miteinander auszutauschen und in Kontakt zu treten. Zusätzliche Mitarbeitervorteile, wie kostenloser Kaffee und/oder das Anbieten frischer Lebensmittel (Obst) oder Snacks, könnten ebenfalls in Betracht gezogen werden.</p>	<p>2024-12-06</p>

Management Assessment

Legend:

please fill field	field is filled
-------------------	-----------------

M1. Management in Charge

A senior management representative has been appointed in the company, with active responsibility for ensuring that standards are met. This person makes appropriate inspections, draws up plans for corrective action, ensures implementation, and takes preventive measures.

No.	Criteria and Guidance	Audit results		Expected	Explanation of audit results	Note to the auditor
		Answer	Type	Type		
M1.1	Is top management accountable for environmental management?	yes			Top management is accountable for this topic.	Methods to understand if management takes responsibility are not always straightforward. Examples of how this is displayed can include: - Does the Plant or Site Manager sign off/approve all important EHS procedures? - Is the Plant or Site Manager present during the audit and appears to understand basic EHS principles? (If the audit is conducted solely with the EHS person on-site, that can indicate the idea that EHS is only the job of safety professionals when it should be everyone's job.) - Is the Plant or Site Manager active in answering questions during the audit which displays management's understanding of the site programs and that they likely have active involvement in EHS issues?
M1.2	Is top management accountable for safety, health and security management?	yes			Top management is accountable for these topics.	
M1.3	Is top management accountable for labor conditions and employee relations?	yes			Top management is accountable for these topics.	
M1.4	Is top management accountable for anti-corruption and legal compliance?	yes			Top management is accountable for these topics.	
M1.5	Is top management accountable for quality management?	yes			Top management is accountable for this topic.	

M2. Policy & Continuous Improvement

The company should set out in writing the principles for how the company intends to manage individual sustainability parameters. Such documents are designed to influence major decisions and actions and ensure that they take place within the boundaries described. (Similar to a Code of Conduct).
 The creation of such documents leads to greater awareness and clarity, particularly with company management, and facilitates communication of the issue of responsibility to employees and other stakeholders.
 Company's principles set out in writing have to be expressively addressed to the employees and have to be posted in the location(s) together with the standard Code of Conduct visible to all employees in relevant languages. It's also possible to attach them to each employee's contract accordingly.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
M2.1	Does the company have a management commitment, policy and process which is communicated to all employees, regarding environmental management?	yes			Yes, environmental management commitment, environmental policy and related processes are covered within the held ISO 14001 certification (environmental management system) and communicated to all employees.	
M2.2	Does the company have a management commitment, policy and process which is communicated to all employees, regarding safety, health and security management?	yes			Related commitment, Health and Safety policy and related processes are implemented at the site and communicated to all employees, in accordance with operational duties (Betreiberpflichten §52) as well as the requirements of the Site falling under Hazardous Incidents (Störfallbetrieb). Employees as well as neighboring properties / community are informed respectively, as legally required.	Does the situation at the plant show that the management policy regarding EHS is a living document (practice what is written) or does it appear that the document was created just to satisfy audits and certification requirements?
M2.3	Does the company have a management commitment, policy and process which is communicated to all employees, regarding labor conditions and employee relations?	yes			A compliance policy is held by the Grillo Group, which is followed by the site (Chemical Division, Duisburg). In addition, work regulations ("Arbeitsordnung") are held, which also include parts of the company's Code of Conduct. Further requirements, including labour conditions and employee relations, are covered	Findings in this area should be classified as minor findings. However, a finding may indicate a missing commitment and communication of its principles and lead to higher auditor scrutiny of the relevant subject during the audit.
M2.4	Does the company have a management commitment, policy and process which is communicated to all employees, regarding anti-corruption and compliance to law?	yes			Covered within the compliance policy by Grillo Group as well as in additional policies and guidances (e.g. donation gifts, anti-trust law: do's and don'ts).	
M2.5	Does the company have a management commitment, policy and process which is communicated to all employees, regarding quality management?	yes			Yes, quality management commitment, quality policy and related processes are covered within the held ISO 9001 certification (quality management system) and communicated to all employees.	
M2.6	Has the company defined any targets to improve and monitor the performance in environmental management?	yes			Related targets are tracked and managed in accordance with the implemented ISO 14001 management system.	Are the established targets suitable to help improve EHS on the site? The auditor should explain what type of targets are in place. For Example: Simply stating the target is 'no lost time injuries' is not sufficient alone. There should also be controllable and meaningful targets that each employee can meet to help achieve the overall target.
M2.7	Has the company defined any targets to improve and monitor the performance in safety, health, and security management?	yes			Related targets are defined and tracked on a quarterly basis during the Health and Safety committee meetings. The current status, the targets as well as necessary actions are discussed and are accessible via the site's Sharepoint.	

M2.8	Has the company defined any targets to improve and monitor the performance in labor conditions and employee relations?	yes	Generally monitored by management as reported. The workers' council ("Betriebsrat") as well as the HR department are working on monitoring performance with respect to general labour conditions and employee relations.	The company is expected to define targets to evaluate and to improve their performance in labor conditions and employee relations, otherwise this will lead to a minor finding.
M2.9	Has the company defined any targets to improve and monitor the performance in quality management?	yes	Related targets are tracked and managed in accordance with the implemented ISO 9001 management system.	If there is no grievance mechanism at all this will lead to a major finding.
M2.10	Does the company have a process for the ongoing identification of its environmental, social, ethical and human rights risks and impacts according to international recognized standards?	yes	A designated Compliance Manager is assigned by Grillo, who takes care of the identificaion of social, ethical and human rights risks and impacts within the company. Environmental risks are managed by the Environmental Manager (Representative) and the supporting team. The process for ongoing identification of the above-mentioned topics is part of the Compliance Policy of the company, in accordance with UN Guiding Principles, International Labour Organization (ILO), etc.	The company should identify and assess any actual or potential adverse impacts with which they may be involved either through their own activities or as a result of their business relationships. The assessment should be undertaken on the basis of recognized international standards and at regular intervals: prior to a new activity or relationship; prior to major decisions or changes in the operation; in response to or anticipation of changes in the operating environment; and periodically throughout the life of an activity or relationship. To identify and mitigate risks related to business activities, the company should consult with affected communities and relevant national and local administration and civil society organizations. Recognized standards are e.g. UN Guiding Principles, UK Modern Slavery Act, Voluntary Principles on Security and Human Rights.

M3. Training

Establishment of appropriate training measures allows managers and employees to gain an appropriate level of knowledge and understanding of code of conduct, internal policies, the applicable laws and regulations and generally recognized standards. Especially for new employees working with chemicals or complex machineries it is important to receive a job-specific workplace training to get familiar with the processes and the risk.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
M3.1	Does the company provide training to employees regarding environmental management requirements for their job assignment?	yes			<p>Training regarding environmental management requirements for the respective job assignment is provided by the site.</p> <p>A training matrix is held for all employees. In addition, HR has an overview on training requirements and e-learning activities that are required for individual employees based on their job description and related hazards.</p> <p>An e-learning system is present, which sends regular reminders on outstanding, mandatory employee trainings.</p> <p>Current training status in different service areas and departments are discussed during the Health and Safety committee meetings.</p>	
M3.2	Does the company provide training to all employees regarding safety, health, and security management?	no	minor	minor-major	<p>Generally, employees receive occupational Health and Safety training (internally and externally) based on workplace / job description and related hazards.</p> <p>Given that the site falls under the Hazardous Incidents Ordinance ("Störfallverordnung"), additional specific trainings are legally required and performed. Independent of the job description, all employees (including administrative staff) are required to complete Health and Safety-related trainings such as slip, trip and fall or near-miss and accident reporting training (mainly via e-learning).</p> <p>During the audit, it was not possible to clarify whether and how the legally required trainings on systems with water (§ 44 (2) AwSV) were carried out. This training was also not scheduled in the Health and Safety training system).</p> <p>Noise protection utilization training is currently provided online - and not as a practical exercise as required by law.</p>	<p>The auditor must check if training documentation exists for all relevant topics. If the employee engages in a task that carries any hazard then there should be training detailed enough to ensure safe work occurs. In addition there should be some form of initial training before starting a task, hands on mentorship training for more difficult tasks, and ongoing refresher training at some frequency established by the site for critical tasks.</p> <p>Need for and adequacy of training depends on the risk the employee is involved in. For example, if the contractor was asked to conduct a task with high risk area (e.g. line opening) without training, it should be at least major.</p> <p>Also training on Health & Safety could be considered a major issue as opposed to a minor issue depending on what training is available. This has to be determined by the auditor and there needs to be good documentation by the auditor on what is in place to make this decision e.g. all training in place except for proper handling of ethylene oxide is a major problem.</p> <p>On the contrary, the site could be missing 10 training topics but if they are less hazardous issues then it is not major (thus the auditor must describe generally what is in place and specifically what is missing).</p>
M3.3	Does the company provide training to all employees regarding labor conditions and employee relations?	yes			A compliance training is provided to all employees via the e-learning platform, which also covers labour conditions.	
M3.4	Does the company provide training to all employees regarding quality management?	yes			Training to employees (incl. new joiners) is provided in accordance with the held quality management system (ISO 9001).	

M3.5	Does the company provide training to all employees regarding anti-corruption and compliance to law?	yes	A compliance training is provided to all employees via the e-learning platform, which also covers topics such as anti-corruption and compliance to law.	The provision of training to all employees regarding anti-corruption and compliance to law is expected from the company, otherwise this will lead to a minor finding.
M3.6	Is there a systematic, job-specific onboarding training for new employees in place?	yes	Mandatory trainings for all new employees include general trainings (independent from job description) as well as specified trainings based on the workplace and job description and related hazards.	A missing job-specific workplace training should lead to a minor finding or in case this puts/ can put the employee in a dangerous situation to a major finding. Especially for new employees working with chemicals or complex machineries, it is important to receive a job-specific workplace training to get familiar with the processes and the risk.
M3.7	Does the site ensure that the content of the training is understood by the employee?	yes	Signatures of employees are tracked for attended training lessons (incl. digital approval for e-learning sessions).	The auditor must check of any means to ensure a proper understanding of the trainings (short quiz, internal certification, feedback from the employee, etc.) have been implemented. If not, the auditor should check the existence of keeping alive activities and reminders if breaches have been noted.

M4. Business Partners

Contractors / third party workers need to be aware of the company's requirements with regard to sustainability. Therefore, the company should inform the management of the contractors / third party workers about these requirements and clearly state that management need to ensure contractors / third parties understand and comply with these requirements.

As a best practice, the company should offer training to contractors / third party workers with regard to relevant environmental, social, and governance requirements. Contractors should be obliged to take part of such training and record their participation in a training attendance documentation.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
M4.1	Are contractors/third party workers trained on the company's requirements in relation to environmental management, safety, health, and security management, quality management, labor conditions and employee relations and anti-corruption and compliance to law?	yes			Contractors receive comprehensive operational instructions including different annexes, e.g. Health and Safety instructions and work permits. Generally, all visitors, including contractors, receive a general safety introduction including safety behaviour in case of emergencies. A specific Code of Conduct for suppliers is maintained (November 2018), referring to international standards (e.g. ILO), which covers requirements regarding labour conditions, employee relations and anti-corruption and compliance to law for contractors / suppliers.	Depending on the type of work being done, contractors may need training as detailed as the site personnel. It depends on the risk the contractors involved in. For example, if the contractor was asked to conduct a task with high risk area like (e.g. line opening) without training, it should be at least major. Auditor must take a look at the type of work to see, what training is relevant and describe it accordingly. Depending on the type of work this could be minor or major.
M4.2	Does the company have a process or system in place in order to assess suppliers' adherence to business ethics, human rights, labor, health, safety and environmental standards?	yes			As mentioned above, a specific Supplier Code of Conduct (CoC) is maintained by Grillo. As understood by ERM, all suppliers of Grillo are required to adhere to the Supplier CoC when entering business relations with Grillo.	The company is expected to have a system in place to evaluate the suppliers' and contractors' adherence to business ethics, human rights, labor health, safety and environmental standards otherwise this leads to a minor finding. A process should be in place at least to prevent misuse of people and cause reputation damage for a TFS member. A not existing process / system must lead to deeper investigations

M4.3	<p>Are performance monitored for carriers, supplier, distributors, contractors and third party providers related to environmental management, safety, health, and security management, labor conditions and employee relations, anti-corruption and compliance to law and quality management?</p>	yes	<p>A supplier assessment is implemented, including quality-related topics as well as environmental, health and safety topics. Grillo has contracted Ecovadis in order to further improve its supplier management and has recently (November 2023) implemented a system including a comprehensive online supplier assessment. Suppliers are reviewed and monitored also for social factors, including labour conditions, anti-corruption and compliance to law etc., and the specific risk factors of the countries where the suppliers are situated in are taken into consideration for the overall risk assessment and related classification of suppliers.</p>	<p>A company should monitor the sustainability performance of their relevant business partners such as carriers, suppliers, distributors, contractors and third party providers. The monitoring should be risk-based including business partners with higher risk to meet requirements with regard to social, environmental, or anti-corruption standards. The Company can meet these requirements by various measures, e.g. by regular inspections by competent employees of its own, implementation of an internal monitoring system with training and checks, inspection of subcontractors by external experts.</p>
M4.4	<p>Does the company communicate the company policy on corruption / bribery / fraud externally to business partners?</p>	yes	<p>Yes, Grillo publically communicates company policies regarding these topics via their website. The Supplier CoC is publically available in three different languages (German, English, Spanish) on the company's website.</p>	<p>The company should communicate the policy as part of its contractual relationship with business partners. Communication may take different ways. At a minimum purchasers should communicate the policy and hand-over a copy of the policy document to the supplier representative as part of contractual discussions. As a best practice, documentation of this communication should be available to third party auditors, e.g. via reference on purchase order, via a reference in supplier contract, via supplier code of conduct communicated to suppliers, or via a signed copy of the policy by suppliers.</p> <p>Not having communicated a policy to business partners should be classified as minor finding unless the auditor identifies corrupt or fraudulent behavior or activities in the company's business partner relationships during the audit. If so, please explain and report as major finding.</p>
M4.5	<p>Is there a process in place to identify and inform the customer about any non-conformances in relation to shipments/products?</p>	yes	<p>A specific emergency and communication procedure is implemented with regard to product contamination, i.e. non-conformances regarding technical as well as food products. The procedure also includes information on how and when to inform customers. Products manufactured for the food industry in case they are identified as contaminated are recalled immediately. Generally, customers that are affected by non-compliant products are identified within one hour and are informed respectively according to the implemented procedure.</p>	<p>Non-conformance procedure: Describes the methods of identification, recording and addressing any non-conformance.</p>

Environment Assessment

Legend: please fill field field is filled

E1. Environmental Compliance

Compliance with environmental legislation is a key requirement.

No.	Criteria and Guidance	Audit results		Expected	Explanation of audit results	Note to the auditor
		Answer	Type	Type		
E1.1	If the site has received environmental fines and sanctions in the last 4 years (incl. fines amounts): Has the site taken actions to correct identified deficiencies and how can they be prevented for the future?	n/a			No environmental fines received. Site is generally in compliance with environmental legislation. The site is regularly inspected by the local authorities, including unannounced inspections. Inspection protocols have been reviewed.	<p>In general compliance issues with environmental regulation could lead to a rating from minor to critical, depending on the violations and the corrective / preventive actions found.</p> <p>E1.1 If the answer is "no", check if issues in the track record are recurring or single findings. Single findings with lacking corrective / preventive actions = minor finding. Recurring environmental issues, either at one plant/site or with similar or related findings across different plants/sites without the defined corrective and preventive actions = major finding. If answered "yes", the auditor shall still check the corresponding corrective/preventive measures taken.</p> <p>Critical findings = uncorrected issues of immediate concern, like immediate danger for the audit team, employees, contractors, environment or neighborhood.</p> <p>The auditor shall describe the situation. Describe the type of violations and corrective actions with a statement indicating they believe the corrections are sustainable to prevent future problems or that they are not sustainable solutions.</p>
E1.2	Does the site have processes in place to ensure compliance with environmental regulation in the areas of waste, emissions, water and wastewater, energy, land use and biodiversity, soil and groundwater?	yes			The site receives legal updates through the Red-on-line information system. There are monthly meetings as an internal legal information team, which is advised by an external lawyer. Team composition and process are regulated by a procedural instruction, which has been reviewed.	<p>E1.2 Check for the presence of a systematic approach with defined processes for environmental evaluation of compliance level, including:</p>
E1.3	Does the site use a HSE regulatory monitoring system (e.g. legal & regulatory register)?	yes			See question E1.2.	<p>E1.3 HSE reg. monitoring system: detection and communication of legal & regulatory changes / impacts, accessible register for all relevant staff. Check definition. This could also be an outsourced detection process, e.g. ext. legal office.</p>

E2. Waste

Waste and emission systems ensure the safe handling, movement, storage, recycling, reuse or management of waste, air emission and wastewater discharges. Any of these activities which have the potential to adversely impact human or environmental health are managed, measured, controlled and treated prior to release of any substance into the environment. The company is expected to have systems in place to prevent or mitigate accidental spills and releases into the environment.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E2.1	Does the site have a process in place to ensure waste resulting from its activities is disposed according to applicable regulations?	yes			The Site is certified as a specialised waste management company (Entsorgungsfachbetrieb / EfB). There is an internal set of rules on the subject of waste and an appointed waste management officer. The ZEDAL system is used to document the obligations to provide evidence under waste legislation.	Refer to local legislation and required documentation, communication and records. If no procedure or process description is available it becomes a major finding.
E2.2	Are legally required waste documents prepared and submitted to the waste disposal facility with each shipment? For example, is generated hazardous waste appropriately labelled according to the Globally Harmonized System (GHS), respectively according to local regulation?	yes			Chemical waste is analysed prior to disposal. All waste disposal companies and waste carriers are commissioned in writing. Waste data sheets are sent to the haulage companies in advance. The data sheets are also deposited at the gate as a precaution. A checklist is used to ensure that waste does not leave the plant without the appropriate waste and shipping documents.	<p>This question addresses the documentation and labelling of waste shipments. A lack of documentation may lead to dumping of waste material in the environment (see question 2.1 above).</p> <p>If it is not required by law then the site does not have to have the GHS system in place. However the auditor should make sure some form of labeling and documentation system is in place which properly identifies and classifies materials (especially for hazardous materials). An explanation is warranted by the auditor in notes if the system does not follow some regulatory system.</p> <p>Depending on the type of missing waste labelling and documentation, it leads to a minor finding (waste) or major finding (hazardous waste).</p> <p>Please note: This question relates to environmental concerns from wrong or missing labels of (hazardous) waste. For the Health and Safety risk, please refer to question H&S 1.4.</p>
E2.3	Are containers stored in adequate condition (not rusted or damaged) to ensure leaks do not occur?	yes			Chemical waste includes sludge, bulk materials and solid waste in bunkers and skips. The site does not have its own transport containers. Hired tankers are inspected using a checklist. Skips are rented and are subject to inspection by the lessor.	Chemicals which seep into the soil may pollute the ground water. Waste collection containers must therefore be stored in specifically sealed and secured areas, regardless of the national legal regulations and the state disposal facilities available otherwise this leads to a major finding.
E2.4	Is (hazardous) waste stored in areas with secondary containment to prevent contamination of the environment if a leak occurs?	yes			Waste is stored in areas that are suitable and authorised for this purpose	
E2.5	Is the final destination of the waste a legally approved waste disposal facility?	yes			The site works together with other specialised waste management companies, which are audited accordingly by external experts. The site has inspected each of the other companies once. Subsequently, renewed certifications are always requested.	It is expected to make sure the waste disposal facility used by the company is legally approved. It is expected that the company does not dispose its waste illegally otherwise this leads to a critical finding and has to be reported to TFS immediately. Depending on the type of waste it leads to a major finding for non hazardous waste and to a critical finding for hazardous waste.

<p>E2.6 Does the site use external waste contractors? If yes, are these contractors regularly audited/ assessed?</p>	<p>yes</p>	<p>See question E2.5.</p>	<p>Not applicable if the site has its own trained staff with legal approvals to manage and treat their own waste. Otherwise it is expected that the plant / site only collaborates with regularly audited/assessed external waster contractors. It is important that the site has the waste handlers trained, qualified and audited regardless of being internal or external.</p> <p>Depending on the type of chemical this could be minor or major. E.g. toxic material not labeled appropriately should be major. If the external contractors are qualified by the government or some other third party and in consequence do not have to be audited/assessed by the supplier this leads to a minor finding.</p>
---	------------	---------------------------	--

E3. Water and Wastewater

The company is expected to establish and follow procedures for water and wastewater management (especially water consumption and wastewater management and treatment).

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E3.1	Does the company have any procedures established and followed for sustainable water management?	yes			The site is an indirect discharger. Water consumption is recorded and reported. The ZNSO4 plant is free of waste water. Channels are monitored regularly. The last report was reviewed during the TFS audit.	The company is expected to have an implemented procedure for a continuously improving water management otherwise this leads to a minor or major finding.
E3.2	Are there any protection concepts for wastewater effluents in places?	no	minor	minor	Wastewater monitoring is prescribed by permit and is implemented accordingly. The monitoring is regulated in a procedural instruction, which has been viewed. In addition to self-monitoring, there is also external monitoring by the environmental agency. During the site tour, several bins were observed to be containing canal covers. The seal on one of these bins had been broken and rubbish had been thrown in.	Based on the environmental aspects and impacts, it shall be defined how to deal with the specific wastewater contents.
E3.3	Does the site ensure that released water (process water, storm water, cooling water, sewer water, secondary containment rain water, steam condensate, etc.) does not contaminate the environment?	yes			There is a combined sewage system at the plant and no infiltration. The main discharge points can be regulated by automatic gate valves.	In general, the auditor should describe the situation as best as possible in a summary so it is easy to interpret the situation and what may be missing. Prevention methods should also be documented once risks are identified. As long as the auditor review does not find gaps in protective measures for released water, documentation in a formalized document is not required. If gaps are found, then a documented assessment is required but if no gaps are found then this would be a nice to have.
E3.4	Is the secondary containment adequate to protect the environment from contaminated water?	yes			During the site tour, all Intermediate Bulk Containers (IBC) containing liquid substances hazardous to water were roofed and on suitable spill trays. The plant has many AwSV areas (areas where water-polluting substances are handled or stored). The legally required AwSV register has been inspected. The operating instructions for the ZNSO4 plant were inspected as an example.	In the event of chemical leakage or fire fighting, the contaminated effluent must be collected for treatment. Any discharge into surface or ground water must be avoided. If the company cannot ensure prevention of any contamination this leads to a major finding.
E3.5	Does the company have any targets in place and monitored to reduce water consumption?	no	minor	minor	The water consumption is monitored. No reduction targets are derived from the consumption figures. The largest consumer is the H2SO4 plant. The ongoing new construction of this plant is intended to reduce water consumption. However, this has not been quantified.	The company shall have targets in place to monitor its reduction of water consumption otherwise this leads to a minor finding.

E4. Soil and Groundwater

It is expected that runoff of chemicals or any other hazardous substances into streams, groundwater or soil does not occur. If there is present contamination it is not an immediate issue as long as the site has management plans in place to mitigate or reduce impact. A full explanation is needed from the auditor if there is a contamination issue on a site.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E4.1	Does the company have a process to identify potential impact on soil and groundwater from current activities/operations (e.g. groundwater contamination) or is the company involved in any active remediation activities?	yes			There are many contaminated sites (the site is an old industrial site that was partially filled with old slag). The groundwater is monitored in co-operation with the city of Duisburg and the environmental authority. There is a project for the construction of a groundwater purification plant.	It is expected that runoff of chemicals or any other hazardous substances into streams, groundwater or soil does not occur. If runoff occurs, the site's management needs to have plans to mitigate or to reduce impact. Any major hazardous impact on soil and groundwater from current activities / operations will lead to a major finding. This could also lead to a critical finding when for example toxic substances contaminate groundwater in areas where it is used as drinking water.
E4.2	Does the company have installations and procedures in place to reduce impacts?	yes			Rainwater is not infiltrated. The installation of a groundwater purification plant is being planned.	

E5. Emissions to Air and Climate Change

The company is expected to establish and follow procedures for emission prevention, measurement, and control. The company is expected to use natural resources in an economical way. Negative impacts on the environment and climate shall be minimized or eliminated at their source or by practices such as the modification of production, maintenance and facility process, material substitution, conservation, recycling and material reutilization.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E5.1	Does the company have any procedures established and followed for emission measurement?	yes			The processes are monitored and controlled using gas flows. There is continuous emission monitoring. The measuring point for released emissions is located at the end of the chimney. These end-of-pipe emissions are forwarded to the responsible monitoring authority.	Common error with emissions testing found during supplier audits was that the emission testing conducted yearly was not always from the stack. Sometimes the site made area samples from a spot in the plant. This is okay for occupational safety issues but not environmental emissions estimates. The company has to establish and follow procedures for emission measurement otherwise this leads to a major finding.
E5.2	Are data, records or reports on the emissions emitted available?	yes			See question E5.1.	Normally a site will take air measurements only on an annual basis to determine estimated annual emissions. In this case it is very important to have efficiency checks on control equipment on a regular basis (sometimes daily or even per shift if critical materials). Typical inclusion in this program are visual emissions checks, pH of scrubber water, pressure drop of filters and scrubbers, temperature for incinerators, etc. Auditor discretion needs to be used to determine if it is adequate and notes should be written on what is in place and if sufficient. If there are no data, records or reports on emissions available at all this leads to a major finding.
E5.3	Have the company emission sources and types of emissions to air and fugitive emissions been identified?	yes			See question E5.1.	Emission control devices should ensure emissions are prevented and/or controlled in type and amounts to protect the environment and neighborhoods. The efficiency of these control devices must be checked routinely to ensure they are always working properly e.g. daily checks of pressure drop on scrubbers and dust collectors, pH test on scrubbers where applicable, daily visible emissions checks. If missing or inadequate devices lead to a major finding. However, if no or inadequate pollution prevention devices exist and lead to e.g. emissions of toxic or large quantities of hazardous substances, this may cause a critical or dangerous situation for employees, neighborhoods, or the environment. In such circumstances this leads to a critical finding.
E5.4	Are there adequate pollution prevention devices (e.g. filters, scrubbers) in place? If yes, are these pollution prevention devices maintained in proper condition?	yes			Pollution prevention devices are in place and are contiously maintained.	The company shall have an emission testing in place to monitor compliance with the legal limit values. If emissions testing reveals the site is not in compliance with the legal limit values established, please review your judgment of environmental compliance in question Environment 1.2. The company is expected to define targets to monitor and where possible reduce emissions. If this is not the case this leads to a minor finding.
E5.5	Does the company have emissions testing in place to monitor targets and is the site in compliance with the legal limit values established?	yes			See question E5.1. There are a few sporadic exceedances of the stipulated legal limit values.	It is expected that GHGs associated with site processes/activities, fuel use for on-site or off-site transportations, agricultural activities etc. are monitored/routinely assessed. It is also expected that on-site equipment containing ODS is assessed regularly and included in an inventory.
E5.6	Does the site monitor/routinely assess emissions of GHGs associated with site processes/activities, fuel use for on-site or off-site transportation, agricultural activities etc.?	yes			CO2 is monitored in the exhaust gas (requirement from the Fuel Immissions Trading Act). The site does not have its own vehicles.	It is suggested to rate this criterion as minor if the site does not measure or does not take action on GHG or ODS, since there are some topics more critical than this one for most of the suppliers.
E5.7	Does the site have an inventory of equipment on-site that contains ozone depleting substances (ODSs) (e.g. air-conditioning equipment that contains refrigerants)? If so, is a phase out plan in place?	n/a			There is no such equipment on site.	

E6. Energy

The company is expected to establish and follow procedures for energy consumption measurement and improvement.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E6.1	Does the site have a program in place to measure and to improve its energy consumption?	yes			The site has implemented an energy management system according to ISO 50001.	<p>For example by</p> <ul style="list-style-type: none"> - measuring and monitoring energy consumption - energy savings or recovery - purchase of energy from renewable sources - regular site energy audits <p>Not having a program in place to measure and to improve the use of energy consumption does not automatically mean a breach with rules and legislations and therefore should lead to a minor finding. However, in some rare case, if the auditor discovers that the site has significant impact with the energy consumption, it could be a major finding.</p>

E7. Land Use and Biodiversity

The company is expected to assess the potential impacts of the site operations on designated protected areas or the ecosystem.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
E7.1	Has the company assessed the potential impacts of the site operations on designated protected areas or the ecosystem (plants, animals and microorganisms)?	yes			For larger building projects, a species conservation assessment must be carried out in accordance with the permit requirements.	<p>To evaluate the impact of company's production on the immediate environment, companies can either run their own measurement, or rely on external data collections.</p> <p>Not having assessed impacts on designated protected areas or ecosystem should lead to a minor finding. If the auditor obtains knowledge about protected areas impacted by site operations or if the supplier has a significant impact on biodiversity, this should be reported as major finding.</p>

Health & Safety Assessment

Legend:

please fill field	field is filled
-------------------	-----------------

H1. Product Safety

“Product Safety” refers to the physical health and safety of workers, employees and users with regard to final or intermediate products. Material Safety Data Sheets containing all necessary safety-relevant information should be made available and provided for all hazardous substances to customers and other parties in case of a legitimate need.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
H1.1	Are the components of all products registered according to the destination country's legal requirements?	yes			There is a REACH officer. All products are REACH registered. The company has the role of REACH lead for several products.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>Legal frameworks are in particular REACH (Registration, Evaluation, Authorization and Restriction of Chemicals; Europe) and TSCA (Toxic Substances Control Act) for the US. According to REACH, companies that produce and import chemicals will have to assess the risks arising from their use and take any necessary risk management measures. Materials have to be pre-registered when exceeding 1 ton/legal entity.</p> <p>If the auditor discovers that a supplier handles relevant products but is not aware of according requirements, has no systematic approach taken and a process established to comply with or it turns out that several products are not registered this leads to a critical finding. In case of there is an isolated example with full evidence missing it could be a major finding.</p>
H1.2	Does the company have an up-to-date and complete set of Material Safety Data Sheets (MSDS) available for all hazardous materials used or stored on-site (raw materials, intermediates, products)?	yes			MSDS are prepared by a specialised contractor. This contractor receives the Chemical Safety report from the company and uses it to create the MSDS. All employees have access to MSDSs for used materials, input products and products via SharePoint. This was checked by random sampling.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>Up-to-date MSDS's have to be provided in local language and made accessible to employees as well as emergency responders. If there are single cases with no MSDS's in place, but a good labelling and trained employees, then this will lead to a minor finding. If there are no MSDS's available and/or employees have no idea about hazardous chemicals at all, then this should lead to a major finding.</p>
H1.3	Is there a process in place to ensure proper MSDS's are obtained or created for new raw materials, intermediates and products?	yes			Changes to the REACH dossier lead to changes in the Chemical Safety report. These changes are then transferred to the MSDS (see question H1.1). The company has a contracted consultant as a backup for the REACH Officer.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>Discovering some hazardous material without any MSDS or without any system to ensure proper MSDS is in place will lead to a major finding.</p>
H1.4	Does the company ensure proper labelling (Globally Harmonized System (GHS) label or Dangerous Goods (DG) labels as legally required) of all hazardous materials/dangerous goods, substances, raw materials, and final products handled?	yes			There is a process that ensures that the labelling is also changed after an amendment to the MSDS.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>If there is no proper labelling in place this shall lead to a minor finding.</p>

H2. Transportation Safety

The company is expected to comply with applicable in particular dangerous goods related regulations and to establish procedures or checklists accordingly for example for loading / unloading resp. filling and discharging operations.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results
		Answer	Type		

<p>H2.1</p> <p>Are the following items part of the procedure or checklists for loading and unloading operations (packaged goods):</p> <ul style="list-style-type: none"> - obvious technical deficiencies of the vehicle - vehicles secured against moving - segregation rules - contamination of packaging or transport units - proper loading and load securing - maximum gross vehicle weight 	<p>yes</p>	<p>There are checklists that are signed by the driver and the loader. The load securing of unit loads is documented by photo.</p>	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>As a minimum requirement the company should have a procedure in place to ensure transportation safety. According checklists are a good additional proof of evidence.</p>
<p>H2.2</p> <p>Are the following items part of the procedure or checklists for filling and discharging operations (bulk):</p> <ul style="list-style-type: none"> - obvious technical deficiencies of the vehicle - vehicles secured against moving - cleaning status of the tank - filling or discharging of the correct tank - filling and discharge valves tight - filling levels of road tankers and rail tank cars - maximum gross vehicle weight - safe working at height - filling and discharge hoses inspection and maintenance 	<p>yes</p>	<p>The checklist for loading tankers was inspected and complied with the requirements.</p>	<p>In addition to a procedure, training for those involved in shipping and goods receipt is also important and legally required, in particular for oversea and air shipments of dangerous goods. (e.g. IATA-DGR; IMDG Code)</p> <p>If it is not done this leads to a major finding.-A missing checklist (only) leads to a minor finding.</p>
<p>H2.3</p> <p>Is there a system in place to ensure that the shipping documents are provided completely and correctly containing in particular all necessary dangerous goods information?</p>	<p>yes</p>	<p>All elements for transport and dangerous goods are defined in SAP and are queried when shipping documents are created. When shipping hazardous waste, the shipping documents are also checked by the waste manager. The created documents are transmitted electronically to the haulage company and stored with the porter as backup.</p>	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>A procedure must be established to ensure that proper shipping documents in particular in compliance with dangerous goods transport regulations are provided. This is achieved by according training of personnel as well as a database system which produces consistent and correct information.</p> <p>In case of dangerous goods shipments arranged: If there is no systematic approach to gather information and generate legal compliant shipping documents and/or personnel is not trained in accordance with applicable regulations this leads to a major finding. Minor deficiencies (e.g. faulty documents, single elements missing) could be a minor finding.</p>

H3. Process Safety and Storage

The company is expected to have procedures and processes for managing and maintaining all production processes in accordance with the applicable safety standards. The company should address product-related issues and their potential impact during all stages of the production process. Key elements are appropriate standard operation procedures / safety instructions and (preventive) maintenance programs.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
H3.1	Does the company have up-to-date Pipe and Instrumentation Diagrams/Documentation (P&IDs) available for each facility or process and does a spot check in the field show equipment is properly included?	yes			The P+IDs are available and are used for safety analyses. One PID was viewed as an example.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>If the company is engaged in process industry and has no Pipe and Instrumentation Diagrams for each facility and processes in place this leads to a major finding.</p> <p>For very simple processes at least Process Flow Diagrams (PFD) but also instrument and electrical loop diagrams are required. Availability and completeness of the according documentation should be checked for at least one example in the field.</p>
H3.2	Are processes established to ensure material compatibility (materials processed vs. construction materials and equipment such as pipes, gaskets, valves, pumps, tanks)?	yes			<p>There is a MOC process. In this process, changes are checked and countersigned by the entire operating management.</p> <p>A change system for changing a pump in the SO2 system was reviewed as an example.</p>	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>If there is no system in place to assess the specification of the equipment vs. critical chemical and physical properties of materials processed and this bears a risk for people or the environment, this leads to a major finding. If there is a situation of immediate danger to employees or the neighborhood, then it should be classified as a critical finding.</p>
H3.3	Have systematic safety reviews been performed by qualified resources and are those regularly reviewed on all processes?	yes			<p>There are quarterly SOS site tours with the occupational safety specialist and the operations managers. Sometimes, the general management also takes part to demonstrate the importance of Health and Safety.</p> <p>Each operations manager also conducts their own SOS tours in their area (minutes of the 2023-11-08 recycling tour were reviewed).</p>	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>Aspect to consider:</p> <ul style="list-style-type: none"> - Do safety reviews appropriately evaluate ALL potential risks for different failures e.g. technical issues, human error, utility outages, etc. - Are worst case scenarios considered? - Have corrective actions been identified to reduce risks and have they been implemented? <p>Critical processes with very significant risks and major aspects of process safety not considered as well as safety reviews with corrective actions identified but found not implemented lead to a major finding for example.</p> <p>A minor finding could refer to deficiencies with regard to completeness and up-to-datedness of according reviews.</p>
H3.4	Is all important equipment included in the maintenance plan e.g. tanks, pressure relief devices, pipes, hoses, forklifts, interlocks, level indicators, safety critical weigh scales? In case of equipment, legally requiring a valid inspection permit or operator certificate: Are they obtained?	yes			<p>The technical service is responsible for maintenance. The maintenance plan was inspected. There is a defects list according to which defects are handled. The defects list is analysed statistically. The inspection documentation of an AWSV installation and a lift were inspected as examples.</p>	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>Preventive maintenance is considered as key aspect of risk mitigation, for example to prevent breakdowns and failures. This includes equipment checks, partial or complete overhauls at specified periods, oil changes, lubrication and so on.</p> <p>No systematic preventive maintenance approach and program leads to a major finding if significant risks (hazardous materials, critical physical processes) are concerned. Isolated issues of maintenance gaps (e.g. certain types of equipment not included, documentation deficiencies) could be a minor finding.</p>

H3.5	Have worst case scenarios that could lead to a loss of primary containment (e.g. overfeeding reactant, filling too fast, overheating vessel, fire in the plant, etc.) been assessed for their consequences and are safety measures established accordingly ?	yes	Hazard drills (incident drills) are carried out regularly (usually once a quarter) with various scenarios. Overfilling can be a scenario. As a result, measures are regularly reviewed and employees are trained for worst-case scenarios. Hazard and Operability Analyses (HAZOPs) are prescribed by the German Hazardous Incident Ordinance and are carried out on a regular basis.	The auditor should outline and explain to what extent this section applies to the supplier. Worst case scenarios for buildings including calculations for over-pressure stability have to be identified and managed to minimize the risks. If these are not defined, this leads to a major finding.
H3.6	Are critical safety devices (in particular relief valves) identified, properly designed, sized and verified in the field to meet design criteria and periodically inspected?	yes	Critical safety devices are identified (see also question H3.2) and are regularly checked and maintained (see also question H3.4). Maintenance list has been reviewed.	The auditor should outline and explain to what extent this section applies to the supplier. Missing calculations could lead a critical finding. If it appears that calculations could be incorrect for a strong exothermic process then it is also critical. In case of a certain element not (fully) considered, deficiencies in the quality of calculations or concerns with regard to qualification and training of personnel involved, this would give a major finding.
H3.7	Do the relief vents relieve to a safe location e.g. do not rain down on employees or neighbors and hazardous gas clouds could not spread to neighbors e.g. routed to scrubbers, incinerators, catch tanks, unpopulated areas, etc.?	yes	In the HAZOPs (see question H3.5), the functioning of the relief vents is evaluated and measures are derived.	The auditor should outline and explain to what extent this section applies to the supplier. Relief vents and hazardous gas clouds are a high risk for the employees. Therefore if the company does not ensure the relieve to a safe location this leads to a major finding.
H3.8	In review of question 3.1 to 3.7, is the overall management system of process safety adequate to prevent catastrophic events?	yes	Yes, the entire management system is appropriate for the prevention of potential catastrophic events. There are HAZOPs, regular exercises (also with external disaster control and fire brigades); measures are derived from exercises and incidents. This has led, for example, to the development of an own rail tank wagon.	This question is to evaluate the overall process safety approach of the company. Any major / systematic deficiency regarding the subjects above could lead to a critical finding if processes and/or equipment by failing could cause a catastrophic event, which cannot be prevented through other processes or systems.

H3.9	Is a hazardous area classification (Ex classification) performed for storage and handling of flammables with hardware and management systems adequate for zoned areas?	yes	Flammable gases can develop in the waste processing area. These areas are marked as explosion hazard areas. The explosion protection document has been inspected. It was prepared by an external expert.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>The classification of areas where flammables are stored or used is important to minimize the risk of fire or explosion; aspects to consider:</p> <ul style="list-style-type: none"> - Is it ensured that no spark producing equipment is used without a proper hot work permit and atmospheric testing e.g. drills, grinders, welders, non Ex forklifts, lamps, hammers, wrenches, etc.? - Are all permanent electric fixtures e.g. lights, electrical outlets, etc. installed in these Ex areas properly rated for explosion protection and in good condition? - Is proper grounding / earthing of fixed and temporary equipment ensured and in good condition? - Are all containers, tanks, and equipment used to store or transfer flammable materials properly grounded to safely release static? For hazardous installations the company should conduct specific risk analysis and implement measures that prevent the occurrence of incidents such as chemical releases and /or explosions. <p>A missing systematic approach /evaluation and according measures established while storing and/or handling flammables leads to a critical finding. Considerable deficiencies (grounding / earthing not done, equipment not appropriate for ex zone assigned etc.) leads to a major one.</p>
H3.10	Does the company have processes established to identify hazardous substances and according applicable requirements for storage, use and handling to ensure compliance?	yes	HAZOP + and procedural instructions for hazardous substance management have been viewed. The safety check for contractors also asks about the use of hazardous substances (document was reviewed).	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>Examples include</p> <ul style="list-style-type: none"> - required licenses or permits obtained to store or use hazardous chemicals - systems or procedures in place to manage hazardous substances - containers for hazardous materials or waste are adequately labeled and separated <p>This section has 3 focus areas which include:</p> <ol style="list-style-type: none"> 1. preventing leaks to begin with 2. if leaks occur, ensuring that incompatible materials do not mix and create an unstable situation 3. ensuring leaks do not cause catastrophic issues from toxic materials or explosive atmospheres e.g. flammable material leaking into a sewer line or even retention area that is not electrically classified and causing explosions. <p>Hazardous substances need a special treatment and therefore any negligence leads to a major finding.</p>
H3.11	Do bulk storage tanks have level indicators, independent overflow devices or other methods to prevent overflow?	yes	Yes, the bulk tanks have detectors to avoid overflow.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>If bulk storage tanks have no level indicators, independent overflow devices or other methods to prevent overflow and provide adequate protection, this leads to a major finding.</p>
H3.12	Is there a system or procedure in place to ensure incompatible materials are segregated during storage (container storage)? Does it also include a method to prevent leakages of 2 incompatible materials from coming in contact?	yes	There is a matrix that regulates the storage of different hazardous substances and is used for the storage.	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>Chemicals must be stored in such a way that they do not leak into the ground, and cannot pollute the groundwater. The safest form of protection is collecting basins. Segregation rules must be followed to avoid chemical reactions of incompatible materials. If this is not the case this leads to a major finding.</p>

H4. Occupational Health and Safety

The company is expected to protect its employees appropriately from any chemical, biological and physical hazards and risks. The company provides necessary technical and organizational protective measures to mitigate health and safety risks in the workplace as well as appropriate personal protective equipment. Seriousness, potential effects and substantial danger for employees should be validated.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
H4.1	Have formal risk assessments been performed on task group or job function level to identify occupational health risks e.g. chemical exposure potential, falls, heat stress, cuts, ergonomics etc.? Are risk mitigation measures defined and implemented giving risk elimination and technical measures first priority?	yes			The company uses its own occupational safety software. All risk assessments are stored in this software. The review of the RA is determined and takes place once a year. The risks are assessed using various criteria (limit values, scientific methods, risk matrix). The criteria/levels of the risk matrix are quantified. The risk matrix and the manual load handling have been inspected.	Auditor should check in the field if technical measures are used such as ventilation, enclosures, closed systems. There must be some form of risk assessment on all tasks performed to review all health and safety hazards e.g. chemical exposure, falling from high, ergonomics, electricity, etc. If no risk assessment is implemented in a plant with risk profile, this should be classified as major finding. Also if major risks are not identified this may be a major finding. Otherwise this is a minor finding.
H4.2	Is proper Personal Protective Equipment (PPE) made available to employees according to the risks concerned and is it consequently worn in the field?	yes			There are different risks in the various parts of the site that require different PPE. The access points to the different site parts are marked accordingly. During the site tour, no absence of PPE has been observed.	If major risks remain either because no or inappropriate PPE was made available or because employees do not wear proper PPE, this should be classified as a major finding. If personal protective equipment (PPE) is made available but not all risks are covered appropriately, this may lead to a major finding. If there is an isolated case of a worker not wearing PPE although it has been provided then this may lead to a minor finding.
H4.3	Are exposure assessments conducted for hazardous chemicals and are technical measures in place to mitigate exposure?	yes			Occupational exposure limit measurements are carried out regularly. There are both fixed measuring points in the production plant and mobile, person-related measurements (measuring equipment is carried by the employee). The measurements are assessed regularly.	Does the facility look at exposure limits according to good international practices or just refer to local legislation? (In some countries chemicals that are not considered hazardous locally are highly hazardous by according to GHS standards.
H4.4	Are noise exposure assessments conducted to verify safe levels (<85dBa)? Where noise levels are found above 85 dB is hearing protection worn?	yes	minor		Noise zones are defined and marked. Suitable hearing protection is provided. Training currently takes place online - and not as a practical exercise as required by law. This minor finding is included in the Management section (regarding Health and Safety training - see question M.3.2).	Depending on e.g. time of exposure and number of employees working in this area that could be classified as minor or major. It depends on the severity of the noise and the protections in place. If the noise level is a significant risk factor for the site, but a systematic evaluation has not been performed and appropriate prevention measures implemented it should be major. If ear protection is not consequently worn this could be a minor.
H4.5	Are there valid procedures for operations, tasks or use of equipment on-site detailing the safety precautions required?	no	minor	minor	Yes, there are valid operating instructions - these are available on SharePoint and are regularly instructed. The instruction matrix has been reviewed. The site only showed partially different traffic routes for pedestrians and vehicles/forklift trucks on the main paths. These markings were very scuffed in places. In the plant sections themselves, there were no demarcations for pedestrians and vehicles In the SO2 control room, a railing to prevent falls was missing on a gallery (approx. 40 cm high)	Auditor shall do a spot check of procedures based on the work and activity done. This criterion can be classified as minor as far as warning signs within the facility are installed.

<p>H4.6 Are occupational health check ups performed on employees by a physician? Do they include specific testing for the specific jobs conducted or chemicals handled, e.g. pulmonary function and spirometer test for respirator users?</p>	<p>yes</p>	<p>A matrix was reviewed in which the required mandatory examinations and the optional offer examinations are determined and documented for each employee.</p>	<p>The auditor should validate to what health risks and deficiencies in health protection could result in substantial danger for employees. Seriousness and potential effects should be estimated.</p> <p>Depending on working environment, it can be either minor or major if the hazard from chemicals shows significant impact and the health check ups have not been done.</p> <p>It is a minor finding if check ups are missing in general at plants with non-major health risks.</p>
--	------------	--	--

H4.7	Are safety showers and eye wash equipment installed, easy accessible from work stations involving hazardous chemicals handling (especially corrosives and skin toxins)?	yes	Several safety showers and eye wash systems were seen during the site tour. These were freely accessible.	Depending on working environment it can be either minor or major. No appropriate measures taken (no safety showers/no eye wash equipment at all or out of order,) gives a major; isolated issues could be a minor finding.
H4.8	Are proper hygiene practices observed (i.e. no eating, drinking, smoking in areas where chemicals may be present, storage of clean personal clothes and work clothes is separated, proper cleaning of work clothes to prevent taking contamination home)?	yes	The work clothes are washed by an external service provider. There are several smoking areas and break rooms.	Depending on working environment it can be either minor or major. If according restrictions (e.g. no eating, drinking in the workshop) have never been considered or are not followed in principle, this is a major finding. Isolated indications that according rules are not followed could be a minor.
H4.9	Are containers labeled with chemical name and hazard to warn employees of the hazardous contents?	yes	All containers for hazardous substances seen during the site tour were labelled accordingly.	Depending on working environment, it can be either minor or major. Missing labelling although legally required or for example, if the employees are not aware of the hazard(s) of a substance they are using this should be a major. Single placards / labels missing leads to a minor.
H4.10	Is there a work permit system established covering at least: - Lockout Tag out Tryout - confined space entry - hot work - elevated work / working at heights - groundbreaking excavation - high voltage	yes	There is a work release system. Both the system and the training for this system have been inspected; there are two levels in this system: 1) Approval (minor risks, e.g. changing a pump - approval is given by the foreman); 2) Permission (high risks - e.g. hot work, confined space etc. - permission is granted by the operations manager).	Some of the most critical items to look for on a permit: 1. Description of the work, approvers and worker reviews. 2. Risk assessment identifying hazards and assigning protective measures used to mitigate the hazards. 3. 4 eyes principle used 4. Is all work completed by trained and qualified people? 5. Are electrical devices locked out so they cannot be activated? 6. Are all lines disconnected to prevent contamination during an entry? 7. Is there a test for oxygen and other contaminants prior to and during an entry? 8. Is an observer present during the whole confined space entry? 9. Is there a test for flammable atmosphere when hot work occurs in Ex zones (even for small spark producing tools and not just open flames)? 10. Is combustible material moved or shielded during hot work? If there is no permit system defined and according followed, this leads to a major finding. If single elements are missing or found to be improved, this could lead to a minor.
H4.11	Does the company have an incident management and reporting system established covering for example certain types of incidents, reporting lines, consequences and corrective actions required?	yes	First-aid incidents are documented. Accidents resulting in one or more days of absence are reported internally, investigated and appropriate actions are taken.	At a minimum, issues with severe consequences, e.g. fires, explosions, releases, etc. should be addressed and corrected. However, injuries (even small first aids), emissions to the environment, leakages (even small), property damage, near misses should also be covered. No incidents (at all) reported / investigated indicate deficiencies in reporting culture rather than nothing occurred and leads to a major finding. In case of certain elements not fully covered this could be a minor.
H4.12	Does the site apply a systematic root cause investigation system in place to ensure the true causes are identified?	yes	Site uses root-cause analyses (RCAs) for incident investigation.	
H4.13	Are corrective actions identified for the incidents and are they implemented?	yes	See question H4.11.	The auditor should check the corresponding corrective/preventive measures taken by the company. If there is no systematic approach in principle, this leads to a major finding. If for example near misses are not consequently reported and formally investigated this could be a minor.

H5. Emergency Preparedness

Emergency preparedness and response scenarios and procedures are expected for mitigation, responding to and recovering from an emergency. It includes planning, training, conducting drills, testing equipment and coordinating activities.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
H5.1	Has the company established a written procedure for emergencies and evacuations and communicated this to all workers? Does the site emergency response plan cover all realistic scenarios (e.g. tornados, floods, spills, releases of hazardous materials)?	yes			The site falls under the regulations of the 12th Federal Immission Control Ordinance and has an alarm and hazard defence plan in accordance with §10 of this ordinance.	<p>A written procedure for emergencies should contain information about individual responsibilities, arrangements for 24/7 coverage by trained responders, a list of the different parties to be informed with their contact details, a procedure for handling the information towards the neighborhood, the press and other interested parties of serious accidents / incidents that happened on-site. If this is not the case, this leads to major finding.</p> <p>The emergency response plan minimizes the risk and ensures the safety of the employees. If there is no emergency response plan in place, this leads to a major finding.</p> <p>Evacuation plans are plans of the building, showing as a minimum the current standpoint, and the position of escape routes including emergency exits and fire extinguishers. In many production rooms, the doors can only be opened inwards. This may make it difficult or impossible to achieve rapid evacuation in an emergency. Under the requirements of the standard, the doors in rooms with more than 10 employees must be capable of opening outwards. If national legal regulations use the basis of a different number of persons or room size, these are naturally to be given preference.</p>
H5.2	Does the company ensure a proper handling of emergencies, e.g. - availability of a trained emergency response team (on/off-site), - well indicated and properly signposted escape routes, emergency exits (unlocked) and assembly points, - enough fire exits for all workers to leave buildings safely, - checking of all fire fighting equipment regularly (e.g. alarms)?	yes			Escape and rescue plans are posted on the site. Escape routes are marked. Assembly points are marked. Gas detectors are installed. Fire extinguishers are available (an exemplary check was carried out to determine whether the fire extinguishers are maintained). Visitors receive detailed instructions before entering (also in several languages).	<p>Fire early warning systems are for example smoke sensors, fire alarm systems, alarm devices. They are an important safety requirement even in countries where this is not a legal requirement. If no alarm devices are found then this leads to a major finding.</p> <p>The functioning condition of fire extinguishers must be checked at specified intervals. As a rule, fire extinguishers are marked by a tag when they are inspected, and this shows the duration of validity.</p> <p>In case there are no written procedures, the auditor should describe on-site fire detection, notification, suppression and response systems (e.g. sprinkler systems, alarms, training and drills) in the following questions of the audit report. Provide information on inspection and maintenance of these systems according to the following questions.</p>
H5.3	Does the company coordinate emergency response programs with external experts, e.g. local fire brigade, authorities?	yes			There is a contact person at the Duisburg fire brigade for local sites according to the 12th Federal Immission Control Ordinance (12. Bundesimmissionsschutzverordnung / Störfallverordnung). The site is in constant dialogue with this contact person. Pictures of the last exercise with the local fire brigade have been reviewed.	<p>If significant risks are concerned (e.g. handling of considerable volumes of hazardous materials) deficiencies should lead to a major finding. For low risk activities or administrative work (only) this could be a minor.</p>
H5.4	Is fire fighting capacity available (e.g. water volume, emergency power supply, redundant pump system, fire fighting equipment, retention basin for fire fighting water)?	yes			In the case of an emergency, extinguishing water is drawn from hydrants. There is an automatic extinguishing system in the ex zone area.	<p>Normally the national legal regulations specify the standard requirements for fire extinguishers and other fire fighting equipment. There must in all cases be functioning fire extinguishers in sufficient quantity (see recommendation of manufacturer). The fire extinguishers must be distributed in a meaningful manner, so that they can be reached by employees easily and within a short time. They must be placed at a height such that they can easily be reached by employees. It is easier for employees to find the fire extinguishers in an emergency if the place where they are kept is appropriately marked. All fire fighting equipment must be kept in proper condition.</p> <p>The fire fighting capacity has to be adequate to ensure no complication in an emergency situation. If this is not ensured, this leads to a major finding.</p>

<p>H5.5 Are emergency drills performed at least yearly (per shift) and do they consider all different emergency scenarios identified (e.g. chemical spill, fire, etc.) ?</p>	<p>yes</p>	<p>There are usually four exercises per year. The minutes of the last exercise (2023-11-09) were reviewed.</p>	<p>If the site does not conduct any drill, it should be a major finding. If drills are carried out but they do not cover everyone or are not conducted regularly, the finding could be a minor one.</p>
---	------------	--	---

H6. Medical Care

The company is expected to have a medical care program in place, which includes a prevention program, medical care in case of emergency (like first aid boxes or a medical treatment on-site) and information about asbestos containing materials used on-site.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	
		Answer	Type			
H6.1	Does the company provide prevention programs (e.g. back therapy training, healthy eating, anti-smoking programs, company sport activities)?	no	minor	minor	Currently, no medical prevention programs for employees are in place. These programmes were discontinued during the Covid pandemic and have not been reactivated afterwards.	Prevention programs are for example back training sessions, sport programs etc. If the company does not provide any of those, this leads to a minor finding.
H6.2	Does the company ensure that medical care for the employees is provided in case of emergency?	yes			In addition to the mandatory first aiders, there is also a company paramedic. There is an emergency management programme, including psychological care	If this has never been considered or nothing is offered, this leads to a major finding.
H6.3	Does the company provide well-stocked and maintained first aid boxes in relevant areas (e.g. production site, offices, warehouses)?	yes			The site provides sufficient and well-maintained first-aid boxes. One box was checked as a random sample. In addition, several defibrillators are available at the site.	The requirements for first-aid material are normally defined in the national regulations and needs to be complied with. Fundamental deviations lead to a major finding. Unless stated in legislations or not, a first aid kit appropriate to the site and occupational accident possibility must be provided (appropriate for the size and layout of the building and rooms, the hazard potential of the workplaces, and the number of employees). As a minimum, they should contain bandaging material, means for treatment of open wounds, eye injuries and burns, and first-aid blankets, painkillers and instructions for giving first aid. One central location may be acceptable for a small plant. The auditor has to use judgment on ease of access. If no first aid kit is provided, this leads to a major finding. Isolated deficiencies (single item(s) missing, expired etc.) give a minor.
H6.4	Does the company have any further medical facilities/doctor's room on-site?	yes			There is an occupational medicine room with EKG, vision and hearing tests. The company physician is on site once a week.	Compliance with according national legal requirements should be checked; in case of deviations or if the nearest hospital is very far away this would lead to a major finding. Otherwise it is a minor one.
H6.5	If asbestos containing materials or other restricted substances (e.g. PCB) are present, has the site compiled a register of these substances and trained employees on the hazards?	yes			In addition to SO2, various hazardous substances (e.g. Pb, Cl, Br) are produced during waste processing. The employees are trained in these hazardous substances.	It depends on how prevalent the material is within the plant. If exposure can occur in many areas, then it is a major finding. Isolated issues could lead to a minor one.

H7. Security

Established safety systems (like access controls or camera surveillance in entrance or secluded areas) or safety precautions prevent physical intrusion of unauthorized persons or intrusion via internet.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
H7.1	Is the site secured through e.g. staff or fence/wall, areas intrusion prevention system?	yes			The grounds are surrounded by walls. There is barbed wire on the walls. There is CCTV and regular patrols by the guard. The site has been advised on security by an external expert. A procedural instruction against drone attacks (requirement of the KAS [Kommission für Anlagensicherheit]) was reviewed.	If there are gaps in the intrusion prevention systems, this can lead to a minor finding.
H7.2	Are entrances and windows along the periphery secured?	yes			There are no windows on the factory boundary. Entrances are secured.	If there are gaps in the intrusion prevention systems, this can lead to a minor finding.

Labor & Human Rights

Legend:

please fill field	field is filled
-------------------	-----------------

L1. Child Labor

ILO Convention No. 138 of 1973 stipulates that the permissible age of entry into employment "shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years, for lightweight tasks not below 13 years (exceptions: at the age of 14 years in developing countries, for lightweight tasks 12 years). It is expected that no children or young people carry out work harmful to health and hence abide the UN Convention on the Rights of the Child. Even if there is only one case of non-permissible child labor in the company, the company's score is to be marked down.

No.	Criteria and Guidance	Audit results		Expected	Explanation of audit results	Note to the auditor
		Answer	Type	Type		
L1.1	Does the company have an age verification system in place?	yes			Generally, an age-verification system is in place within the HR department, including age checks, when hiring employees.	When hiring, the company shall require formal identification and age documentation for all workers. The company shall keep a copy of age documentation for all employees (but not the original!). Nevertheless, the auditor has to check how age of employees is verified. A missing verification system always leads to a minor finding.
L1.2	Does the company ensure that there are no children below the age of 14 or 15 years (depending on local legislation), except for apprentices, summer jobs, school or education related internships employed? Please state the age of the youngest employee at the sites and offices in scope.	yes			A related procedure in place in order to ensure that no children under the age of 15 are employed (with related exceptions regarding school internships). Teenagers of 15 years are solely engaged in administrative activities, as most jobs within the chemical division are related to chemical occupational exposure. Currently, the youngest worker within the chemical division is 21 years old (minimum age 15 years).	The employment of any children below 14 or 15 years (depending on local legislation) is a violation of local law and ILO convention, therefore it bears a high risk and always leads to a critical finding which has to be reported immediately to TfS.
L1.3	Does the company make sure that young workers below 18 years of age are exempt from overtime, night work and hazardous work?	yes			Young workers are not allowed to work overtime or during the night, and are reportedly not engaged in any hazardous work (chemical production). The above was confirmed by several individual employees, also during the group interviews.	It must be checked that their protection rights (e.g. with respect to working times, health and safety, hazardous workplaces. etc.) are complied within the company and there is a policy that ensures these rights. Young employees (between 14 or 15 and 18 years) are normally under the special protection of the law.
L1.4	Is it ensured that young workers below 18 are not harmed with regard to health, safety, security or physical / psychological integrity?	yes			Within the chemical production activities, no young workers (below 18 years) are engaged. As mentioned earlier, young workers are performing administrative / commercial services, given the lower occupational Health and Safety exposure and related health risks.	If there is clear indication of serious harm to young employees, this should be considered as a critical finding. Otherwise, it would lead to a major finding.
L1.5	Does the company ensure that employees below 18 years have no conflict with compulsory education or vocational training? Do the combined hours of transportation (to and from work and school), school attendance and work amount to less than 10 hours a day?	yes			As stated to ERM, Grillo is keen on ensuring that trainees / employees below 18 years have sufficient time available for completing their compulsory education.	If the combination of hours of transportation, school and work exceeds 10 hours a day, this leads to a major finding. If hours worked by young employees systematically exceed 10 hours (e.g. high number of workers affected or combined hours far above 10 hours), this should lead to a critical finding.
L1.6	Does the company develop or adhere to policies and take part in programs which provide for the transition of any child found to be performing child labor to enable her or him to attend and remain in quality education until no longer a child?	yes			The company adheres to the UN Global Compact and related statements and requirements are covered within the company's compliance policy.	Some examples of initiatives the companies might adhere to are the UN Global Compact and the OECD Guidelines.

L2. Forced and Compulsory labor

It is expected that collaboration of the employees is freely chosen. Forced and bonded labor (including bondage or involuntary prison labor) according to the definition of the ILO Convention 29 are declined. Original documents of the employees must not be in the possession of the company for a medium-term or long-term period, but only for as long as the company needs them for administrative purposes. For this purpose, employees shall receive a receipt when they hand over such documents to the company, with a description of the document, indication of the purpose, and time of return. If by way of exception it is in the interest of the employee for the employer to administer the original documents (e.g. due to lack of security at accommodation), a written agreement shall be made on custody of the documents, if possible with involvement of employees' representatives. In order to avoid any misunderstandings, the employer should transfer the task of administration as a trustee for such documents to an independent third party or institution, to which the employee can have recourse directly.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L2.1	Does the company ensure that no forced, bonded or involuntary prison labor is employed?	yes			Grillo's compliance policy contains related information, i.e. prohibition on forced and compulsory labour.	
L2.2	Does the company ensure that there is no money (deposit, credits) of its employees kept as a condition of employment in the company or does the company ensure that credits do not create dependencies for the workers?	yes			No monetary deposits, credits or similar are kept from employees as reported to ERM and no contrary indications have been identified during the exemplary document review.	
L2.3	Does the company have a written contract of employment for every directly employed worker and provide a copy of the contract in a language that they can understand?	yes			Generally, a written work contract is held for each employment, generally in German. Translations can be provided if requested by the employee and the workers' council is engaged in case there are any problems with understanding the related content. As reported, employees understand the content of the employment contract and additional job descriptions and are required to sign them respectively. Standardized work contracts are provided by the employers' association and the collective agreements (of trade union) according to 'IG Metall + Elektroindustrie NRW'.	Missing contracts for employee increase the risk for illegal employment and for forced labor, therefore this leads to a major finding. If this is not systematic, this leads to a minor finding. The auditor should verify if there is a contract in the language that the employee can understand and if a copy of the contract is provided. In some countries this might be replaced by a collective bargaining agreement with the conditions of employment to which the employee has access to.
L2.4	Are all employees in the company free within the legal framework and upon the discussion with their employer to terminate their employment on their own decision? Are employees informed about conditions of contract termination?	yes			All according to legal requirements in Germany. Employees' contracts are covered and governed by the Trade Union 'IG Metall + Elektroindustrie NRW' and related wage agreements ("Tarifverträge"). Conditions of contract termination are based on national law and labour union conditions. There are increasing contract termination periods with increasing seniority / time working for Grillo.	If the employees are not informed about the conditions of contract termination, this leads to a minor finding. If the employees in the company are not free within the legal framework and upon discussion with their employer to terminate their employment on their own decision, this leads to a major finding.
L2.5	Are all employees allowed to leave the company property after contracted hours/regular working time?	yes			Employees are reportedly free to leave the site at any time (and certainly after work).	If employees are not allowed to leave the company (including factory and housing facilities, if provided) after contracted hours this leads to a major finding.
L2.6	Are all workers provided with written and understandable information about their employment conditions with respect to wages (e.g. weekly or monthly payment periods) before they enter employment? Are workers informed about the particulars of their wages for the pay period?	yes			Yes, everything is included in the employment contract, in accordance with requirements from the wage agreements ('IG Metall + Elektroindustrie NRW'). Employees are aware of their working / employment conditions (confirmed during interviews).	Information received before entering the employment helps workers to evaluate the job offer. If this information is not provided, this leads to a minor finding.

L3. Working Hours

The company has to have processes and procedures in place to ensure compliance with national law or international standards (ILO) regarding legal hours of work (e.g. time recording, responsibility of supervisors/management to observe standards, etc.). Standard working time should not exceed 48 hours per week or when considering voluntary overtime 60 hours per week. Additionally, 1 day (24 consecutive hours) off per week. Only extraordinary business circumstances allow for mandatory overtime (which can then even exceed 60 hours per week); those do include machinery breakdown, mechanical failures and others, but not ordinary production deadlines.

No.	Criteria and Guidance	Audit results		Expected	Explanation of audit results	Note to the auditor
		Answer	Type	Type		
L3.1	Are the working hours recorded? If yes, please explain how.	yes			<p>Each employee has a chip card for time tracking, i.e. recording. There is a time recording unit installed at each entrance, where employees can check-in and check-out via the electronic time recording system. The working hours are transferred into SAP and the mandatory working time is tracked against the actual working time on a daily basis for each employee.</p> <p>Working hours are generally in accordance with legal requirements, as reported. HR checks the working hours of employees, with a special focus on weekends and night shifts. Working hours are visible for department leaders and managers, as well as HR.</p>	<p>The company may decide for itself what arrangements it makes for time recording systems (attendance lists, punch/time cards, electronic data processing). But the system must be logical and comprehensive and must record the following:</p> <ul style="list-style-type: none"> - Actual start of work and actual end of work - Number of hours of overtime worked - Days free from work - Days of absence <p>The correctness of handwritten entries by third parties should be confirmed in writing by the employee (e.g. at the end of the month). If no recording of working hours is in place at all, this leads to a major finding.</p>
L3.2	Does the average number of weekly hours per person (including overtime) not exceed 60 hours (ILO standard of maximum weekly working time)?	yes			<p>Overtime is reportedly voluntarily and might occur based on customer requests (and as stated in the employment contracts); related compensation occurs via free time and / or as stated in the work contracts, i.e. wage agreements. There are no actual maximum hours of overtime to the employees' individual time accounts. However, in general, applicable legal requirements for Germany are met. Working hours are visible for department leaders and managers and checked on a regular basis. In addition, once a month, HR monitors the overtime worked by each employee, at the latest when calculating the additional compensation salaries for worked overtime or during night shifts, etc.</p>	<p>This question is based on the ILO Convention 1 that determines that the weekly working time of on average 48 hours in normal cases may not be exceeded.</p> <p>The total hours worked in any 7 day period shall not exceed 60 hours (including overtime), except where <u>all</u> of the following are met:</p> <ul style="list-style-type: none"> • This is allowed by national law; • This is allowed by a collective agreement freely negotiated with a workers' organization representing a significant portion of the workforce; • Appropriate safeguards are taken to protect the workers' health and safety; and • The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.
L3.3	Do working hours comply with national laws?	yes			<p>Working hours comply with national legislation.</p>	<p>The compliance with national rules and agreements regarding working hours (for daily and weekly limits) is preconditioned and therefore a non-compliance would lead to a major finding.</p>
L3.4	Do employees have one day off (24 consecutive hours) per week on a regular basis?	yes			<p>Generally, employees are understood to have two days off (weekend), after a five-day working week. Overtime happens from time to time - see question L.3.2).</p>	<p>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. If this is not the case it leads to major finding.</p>

<p>L3.5 Does the company demand overtime only exceptionally and on a voluntary basis (except for legally defined situations of urgency or emergency that require full employment of the workforce)?</p>	<p>yes</p>	<p>Overtime is demanded by Grillo on an exceptional and voluntary basis (except for specific situations of emergency / urgency). If overtime occurs (planned due to client requests), it requires approval from the workers' council as well as the respective manager of the employee. Compensation of overtime is either happening via employees taking time off, or additional payments. All specifications with respect to overtime are stipulated in the employment contracts falling under the wage agreements ("Tarifvertrag") or within the company agreement ("Betriebsvereinbarung").</p>	<p>This is to find out whether there are only individual employees or groups of employees that do excessive overtime, or whether the overtime in the company is at too high a level in general. The average number of overtime hours worked by all employees in the previous week is to be determined from the time record documents provided, and to be compared with the relevant legal regulations. If the stipulated maximum working times are exceeded, this will lead to a major finding.</p>
--	------------	---	---

L4. Minimum Wages

The lowest basic wage paid in the company for the regular monthly working time of a regular full-time employee is to be entered here. The information basis for this are the wage lists of the last 6 months. Regular full-time employees receive the nationally or regionally stipulated minimum wage for the regular working time and/or if the company's guaranteed regular working wage is below the applicable minimum wage. Calculation of gross wages - before deductions - and net wages - after deductions - should be included.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L4.1	Is the minimum salary paid by the company in compliance with legal minimum wage?	yes			Salaries for employees are above minimum wage, as per wage requirements and agreements for 'IG Metall + Elektroindustrie NRW'. Minimum legal wage for standard hours (in accordance with wage agreements) is 18,36 EUR per hour.	The minimum salary paid by the company shall be in line with national law. Violations should lead to a minor if there are not systematic. In cases of systematic breaches this leads to a major finding.
L4.2	Does the minimum salary paid by the company provide the employee with a basic salary that allows for making a living according to local standards?	yes			Grillo pays according to requirements and wage agreements, as mentioned above, which allows employees to make a living according to German standards.	ILO Convention 131 stipulates that for the establishment of minimum wages, besides economic conditions, economic development requirements and productivity also the needs of the employees and their families, the cost of living and the social security benefits have to be taken into account. It is anticipated that the company observes the in each case legally guaranteed minimum rates, the minimum standards of the in each case national economic sectors and that the company acts upon the local job market. If this is not the case, this leads to a minor finding.
L4.3	Are wages paid either with money directly to the employees in cash, check payment or by bank transfer as well as at regular intervals at least once per month? Are pay slips provided to the employees?	yes			Payments are done via bank transfers, two times per month. One payment is done on the 30th day of each month (or the last day of February), when the agreed salary is paid to employees. After an internal calculation of the HR department on the 20th day of each month (incl. variables such as additional payments for working on weekends or during night shifts), additional payments for employees are made on the 3rd or 4th of each month, based on wage agreements. No problems with timing of payment was reported.	Wages must be understood by the employees, paid in a timely and regular fashion, accurately calculated and paid in accordance with contract. If one of these aspects is systematically not followed, it is major. If not this leads to a minor finding. Some wages are mandatory according to local laws, if they are not paid, it should be a major.
L4.4	Is it ensured that there are no unjustified deductions made from wages, e.g. for required safety protection equipment, medical expenses, transport, accommodation, meals, training and disciplinary measures?	yes			No deductions are made from wages, everything is done in accordance with national law. Personal protective equipment (PPE) as well as occupational medical examinations are provided and paid by Grillo. Permanent employees have the possibility of taking out a company loan (interest free), in case of financial needs. The loan is transferred to the individual by Grillo, and is to be repaid over a time period of 12 months via the salary payment. Thus, the employer can hold back the general salary of the respective employee in case that they do not pay back the amount.	If services are offered by the company for which the employees have to pay or for the use of which deductions are made from their wages, it must be examined whether deductions and the amount of deductions are legal. It is not permissible to make automatic deduction without the services being used. It is not permissible to make deductions from wages for the use of objects, buildings or services which are directly necessary for execution of the work (e.g. entry fees, charges for the use of tools and machines, for the use of sanitary facilities or for the provision of protective clothing for work, for drinking water or for washing facilities). Deductions for disciplinary measures are only accepted if they are allowed by law and if a freely negotiated collective bargaining agreement is in place. Deductions are made should be limited to a certain percentage of the workers' earnings, to safeguard the maintenance of the workers and his/her family. It must be examined with particular care if the employees are dependent on these

L4.5	After deductions are made, is it ensured that no workers receive less than the legally applicable minimum wages?	yes		Certain deductions, such as for health insurance, social insurance and unemployment insurance are state-regulated in Germany and done in accordance with applicable national legislation.	It must be examined with particular care if the employees are dependent on these services due to lack of any alternative (e.g. accommodation, food, etc.). Use of these services by employees must always be voluntary. If any deductions are made for e.g. medical expenses, transport, accommodation, meals, training and disciplinary measures from wages this leads to a major finding.
L4.6	Is overtime compensated (money, time) according to national law and benchmark industrial standards, whatever is higher?	yes		As stated above, overtime compensation is mainly based on wage agreements of the metal industry sector (IG Metall). Overtime can be compensated via time off or financial compensation as regulated and required by the wage agreement. This was confirmed during the anonymous group interviews.	It must be ensured that the compensation of overtime hours is paid. This has to be calculated on the regular hourly wages that the single employee has earned and should be checked with the relevant counting methods and if necessary with samples. According to ILO Conventions No. 1 and No. 30, the rate of pay for overtime shall be not less than one-and-one-quarter times the regular rate. Overtime premium of 50 per cent above the regular wage are standard in many countries. If this is not the case this leads to a minor finding.
L4.7	Are all workers provided with paid annual leave, statutory holiday, maternity leave as per local legal requirements?	yes		Yes, also included according to wage agreement and in accordance with national law.	If payment of annual leave, statutory holiday or maternity leave as per local legal requirements are not offered this leads to a major finding.
L4.8	Are all workers provided with other benefits, such as medical insurance, pensions, social insurance as per local legal requirements?	no	minor	A "small" company pension scheme is provided by Group, and is also applicable for the Chemical Division. In addition, retirement benefits are offered by the employer and provided upon request of employees. Employee benefits include a canteen (offering breakfast and lunch for reasonable prices) as well as free fresh drinking (mineral) water. There are no other free benefits, such as free coffee, tea, fresh foods, or corporate benefits / discounts regarding public transportation, clothing etc. A "job bike" offer is reportedly planned for 2024 (health and sustainability reasons). No company celebrations (christmas or summer parties) and or anniversary celebrations for employees have taken place since the start of Covid in 2020. No pensioner trips and/or additional payments (3x monthly salary) are organized for planned pensions anymore. Employees wish to re-connect with each other, since social connections and networking were not possible during the past years. Given that this topic was raised by multiple employees during the anonymous employee group	The word benefits refers to additional compensation, for example bonuses, transport, food, clothing, etc., to which employees have a legal entitlement. If such a compensation is not offered this leads to a minor finding. If benefits are a legal requirement and not provided this should lead to a major finding.

L5. Freedom of Association

The ILO Conventions 87 and 98 ensure the right to freedom of association as well as the right to conclusion of collective-bargaining agreements (e.g. the right to found independent trade unions or other organizations representing their own group, protection from discrimination because of the membership in a workers representation / trade union etc.) The employees are entitled to choose the organization and the form of organization. The employer is not expected to promote trade union structures. On the other hand, the employer must not prevent the organization/membership of free and independent trade unions neither directly nor indirectly in so far as this is done within the statutory regulations of the respective country. Please check carefully.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L5.1	Do workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively?	yes			All workers have the right to join a trade union (in this case: IG Metall) and / or bargain collectively. All employees who are part of IG Metall need to report their membership to the workers' council of Grillo. Employees are neither advantaged nor disadvantaged due to their adherence to trade unions.	
L5.2	Does the employer have a constructive attitude towards the activities of trade unions and their organizational activities?	yes			Grillo has a constructive attitude towards the activities of trade unions.	
L5.3	Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace?	yes			A workers' council is in place at Grillo AG, with a total of 11 members (incl. employees of the Chemical Division). The representative of the workers' council was also interviewed by ERM. No problems were reported regarding workers' representatives or representative functions with respect to discrimination.	In line with the ILO Conventions 87 and 98 workers shall have the right to freedom of association as well as the right to conclusion of collective bargaining. If this is not the case this leads to a major finding. Exception in countries where it is legally not allowed.
L5.4	Where the right to freedom of association and collective bargaining is restricted under law, does the employer facilitate, and not hinder, the development of parallel means for independent and free association and bargaining?	yes			No restriction of association and collective bargaining under national law.	It is a standard of good practice and therefore leads to a minor finding.
L5.5	Are employees engaged on Safety and Health issues through Unions, Worker Committees or any other worker voice mechanism?	yes			As stated above, a workers' council in place. Generally, a good relationship with management is maintained. An "EHQS" (environment, health, quality and safety) software is implemented to give workers a voice, i.e. a way of communication in this regard. On all displays at workplaces across the site, specific icons are present in order for employees to quickly be able to report an occupational near-miss situation, unsafe condition, etc.	The auditor should review how worker organisations are involved in supporting workers to protect their own health and safety. If employees are not engaged on health and safety issues through Unions, Worker Committees or any other worker voice mechanisms, this should lead to a minor finding in case is an isolated case or to a major finding if a significant number of employees is affected.

L6. Discrimination and Harassment

According to ILO Core Convention 111 equal treatment of all employees is expected to be a fundamental principle of the company's corporate policy. No employee should be unfairly disadvantaged, favored or ostracized because of ethnic or racial status, color, nationality, descent, religion, caste, gender, age, physical characteristics or appearance, sexual orientation, union membership, political affiliation, HIV/AIDS, pregnancy or parental status.

No.	Criteria and Guidance	Audit results		Expected	Explanation of audit results	Note to the auditor
		Answer	Type	Type		
L6.1	Does the company assure compliance with policies on harassment and discrimination in hiring, promotion, equal pay, benefits, and training based on ethnic or racial status, color, nationality, descent, religion, caste, gender, age, physical characteristics or appearance, sexual orientation, union membership, political affiliation, HIV/AIDS, pregnancy or parental or marital status?	yes			There is a zero tolerance regarding any kind of discrimination or harassment as stated by several Grillo employees (management + production workers). Related instructions are covered within Grillo's Compliance Policy. All workers (independent of gender) are equally paid based on their performed work, position and the requirements of potentially applicable wage agreements. No issues / discrimination occurred based on gender, nationality, religion, sexual orientation, pregnancy, etc., with the following exception of misconduct as reported during the anonymous group interviews: an employee was harshly addressed by another employee based on his skin colour, which immediately had consequences and led to a comprehensive discussion with the 'verbally attacking' employee. The 'verbally attacking' employee apologized to the 'attacked' employee, with no further issues reported. Discrimination and harassment prohibitions are described within the company's compliance policy. A compliance manager, as well as a representative specifically assigned for severely disabled employees is present. The majority of employees is male due to the rather difficult physical work within the chemical production.	For example, the company hires workers based on individual skills and qualifications and does not ask applicants questions that are discriminatory in nature or irrelevant for carrying out job tasks and does not ask job applicants about pregnancy status or requests pregnancy testing. If the company does not ensure that its employees are not harassed in any way this leads to a major finding.
L6.2	Does the company clearly and strictly forbid any form of verbal, physical or psychological threats, abuse or harassment in your company?	yes			Any form of verbal, physical or psychological threats or abuse is strictly forbidden within Grillo. According to the company's work policy and guidance ("Arbeitsordnung"), a certain code of conduct is required by employees, including respecting each other. Each employee has to sign and acknowledge the work guidance.	This could be for example included in an internal policy that should be communicated to the employees.
L6.3	Does the company ensure no harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse of workers?	yes			Grillo has a strict no-tolerance policy against any kind of inhumane treatment, sexual harassment, verbal abuse etc. An exemplary case for positive treatment of workers, despite their gender: An employee had a gender transformation, now being a woman. The employee works in production, where most workers are male. Special facilities, including a shower room were installed in a separate area for female employees in order to make the worker more comfortable and accepted within her new gender.	If more than an occasional occurrence is recognized by the auditor than this leads to a critical finding.

L7. Special Work Contracts

The company is expected to have work contracts for every kind of employer-employee relationship. Special work contracts may be of concern if labor standards fall below those workers and employees employed through standard work contracts. It is expected that workers and employees in special work contracts working for the organization do not fall below minimum labor standards as defined by law or industry norms. Contractors in the widest sense include: individual workers contracted from staff agencies, sub-contractors (on-site / off-site) for core production processes, on-site service providers (building, engineering, cleaning, canteen, maintenance, etc.)

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L7.1	Do above defined labor requirements also apply to contract workers?	yes			Contract workers also receive the same treatment with respect to labour conditions, as mentioned above.	
L7.2	Are systems and processes in place to manage sub-contracting, homeworking and external processing?	yes			Yes, systems are in place and related conditions partially covered within the wage agreements / employment contracts. No actual homeworking is present within the Chemical Division. 'Mobile working' is regulated within the company agreement.	The auditor is expected to review a limited size of samples to ensure that the above requirements also apply to contract workers. The company is expected to apply all above defined labor requirements to their contract workers as well. The classification of this question is based on the most critical evaluation of the above criteria applied for contract workers.

L8. Facilities & Dormitories

The company is expected to provide unlimited access to clean drinking water during working hours and also adequate sanitary facilities.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
L8.1	Does the company provide unlimited access to free clean drinking water during working hours?	yes			Unlimited access to free, clean drinking water (tap water) for employees during working hours. In addition, mineral water is provided for employees working in the production.	National statutory regulations often give a definition of the characteristics and inspection required for potable water. Clean drinking water includes bottled water and clean tap water. Clean potable water must be available to all employees during working times otherwise this leads to a major finding.
L8.2	Does the company provide adequate sanitary facilities e.g. low risk of infection, fixed equipment to wash hands?	yes			Adequate sanitary facilities are provided for workers, as well as desinfectants available.	The number of toilets required by national regulations is to be entered and compared with the actual conditions. If there are less than the required number, this will lead to a minor finding.
L8.3	If living accommodation / dormitories are provided for employees or contractors, are they safe and clean, and do they meet relevant basic requirements?	n/a			No dormitories for workers are present on-site. However, 'Grillo Verwaltungsgesellschaft' offers company-owned apartments to be rented to employees for a reduced monthly price. These company apartments are not situated within the site premises, however, they are located outside of the chemical park, reachable by foot. The number of Grillo-owned apartments is higher than the number of Grillo employees in Duisburg; consequently, the apartments can be let to other individuals, with not relation to Grillo. These company apartments were not visited as part of ERM's assessment, as these are not directly related to the Chemical Division of Grillo.	Accommodation / dormitories should meet basic requirements. The auditor may classify as minor if standards are in line with country level standards but lack some basic requirements. The finding should be classified as major if basic needs are not met or the standards fall below country level standards or laws.

Governance Assessment

Legend: please fill field field is filled

G1. Business Integrity

The company is expected not to practice or tolerate any form of corruption, extortion or embezzlement. The company does not offer or accept bribes or other unlawful incentives to/from its business partners. It is expected that the company ensures that adequate procedures are in place in order to prevent corruption.

No.	Criteria and Guidance	Audit results		Expected	Explanation of audit results	Note to the auditor
		Answer	Type	Type		
G1.1	Has the company established internal controls to prevent and identify corruption (e.g. four-eye principle, separation of functions, job rotation)?	yes			Internal controls are covered by Grillo's compliance policy and guidance, which is provided and signed by employees when entering the company. In addition, an annual training is carried out, where employees receive a refresher with respect to preventing and identifying corruption. Currently, only 'white collar' workers receive this anti-corruption training; however, as stated to ERM, Grillo is planning on extending this training to also include 'blue collar' workers (beginning of year 2024). A monthly risk report including compliance parameters (also corruption cases) is prepared and provided to the supervisory board of Grillo and, in case of identified issues, these topics are comprehensively discussed and measures,	A missing policy or missing procedures to prevent and to identify corruption and bribery always lead to a minor finding.
G1.2	Can the auditor confirm that no indication for fraudulent or corrupt behavior has been observed in the entire audit process?	yes			No such indications were observed by ERM.	Corrupt or fraudulent behavior leads to a critical finding.

G2. Special Risk Area: Sourcing from Civil War Zones & Conflict Minerals

In this section questions to special risk areas are addressed. These questions may not be applicable to all suppliers, but if suppliers are affected by these topics, the questions have to be addressed.

No.	Criteria and Guidance	Audit results		Expected	Explanation of audit results	Note to the auditor
		Answer	Type	Type		
G2.1	Does the company have a policy/internal instruction to prevent sourcing from civil war zones or other areas with severe human rights infringements (e.g. Democratic Republic of Congo and their neighboring countries)?	n/a			Generally, no sourcing is done within these areas, as understood by ERM.	This question is applicable to any company potentially sourcing minerals or metals from conflict-affected and high-risk areas (Particularly referencing to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, EU Conflict Minerals Regulation and the US Dodd Frank Act). Suppliers in scope shall demonstrate that they have implemented responsible mineral sourcing and due diligence in conformity with the OECD guidance and mechanisms to identify, determine and manage risks in all areas addressed by Dodd Frank Act Section 1502 (Conflict Minerals) and the EU Conflict Minerals regulation (once implemented). If suppliers do not adhere to the OECD guidance this leads to a minor finding, if they do not adhere to legislation that leads to major.

<p>G2.2 Does the company have a process in place to check business partners against any international/regional/national sanction party lists (e.g. lists related to product risks (e.g. arms and weapons) or country risks (e.g. terrorism))?</p>	<p>n/a</p>	<p>Companies are assessed prior to being approved as a supplier (via certificates, contractors, EHS performance and other factors). The newly implemented comprehensive supplier assessment online system (with Ecovadis) is considered to further assess business partners against any international or national sanction party lists.</p>	<p>The auditor should outline and explain to what extent this section applies to the supplier.</p> <p>A policy / internal instructions to prevent sourcing from civil war zones or other areas with severe human rights infringements, are expected from the company. A missing of such a policy should lead to a minor finding.</p>
--	------------	---	--

G3. Special Risk Area: Animal Testing

In this section questions with regard to special risk areas are addressed. These questions may not be applicable to all suppliers, but if suppliers are affected by these topics, the questions have to be addressed.

Animals shall be treated humanely with pain and stress minimized. Animal testing should be performed after consideration to replace animals, to reduce the numbers of animals used, or to refine procedures to minimize distress. Alternatives should be used wherever these are scientifically valid and acceptable to regulators.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
G3.1	Is animal testing relevant for the company's business? If so, does the company have policies in place with regard to protecting animal health?	n/a	minor		No animal testing performed for company operations, as understood by ERM.	A missing policy to protect animal health during animal testing should lead to a minor finding.
G3.2	If the company works with animals as a part of its business, does the company follow industry standards to assure animals are treated respectfully / humanely and that the number of animal tests is reduced?	n/a			No animal testing performed for company operations, as understood by ERM.	The auditor shall specify in the auditor notes the magnitude of use of animals as part of the company's business activities (which type or species of animals / number of animals). It is expected that the company follows legal legislation, any major deviation should be rated as a major finding.

G4. Privacy and Intellectual Property

The company is expected to safeguard the rights of its customer. These include the tangible and intangible things owned by the company over which the customer has exclusive and absolute legal rights, such as special product information, copyrights, patents etc. Private Property can be transferred only with its owners' consent.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
G4.1	Does the company have a process to ensure confidentiality with customers in relation to contracted products, projects under development, and related product information?	yes			Instructions on confidentiality are covered within the company's compliance policy. Employees are trained on an annual basis, including topics on how to handle confidentiality.	The company is required to ensure confidentiality otherwise a minor finding has to be indicated. Systematic violations could lead to a major finding according to the definition in the TFS Audit Program.

G5. Fair Competition

The company should not enter into any agreements with competitors with regard to prices, price components and terms and conditions that are used with customers or suppliers.

The company should not agree on any joint price policy, not even for individual price components, calculation positions or cost positions. This applies equally to verbal and/or informal agreements as well as concerted practices. This guideline must also be observed in confidential private meetings and discussions.

The company should not share the market with competitors according to regions or products, customers or suppliers.

The company should not share any confidential information relevant to the market with competitors. Terms of conditions, costs, sales/transport volumes, names of customers, capacities, prices, margins and discounts should not be shared with competitors. Also, changes of the company strategy or price policy must not be shared with competitors.

No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			

<p>G5.1 Does the company have a process to ensure that applicable laws and regulations of fair business, including advertising and competitive marketing, are upheld (e.g. antitrust)?</p>	<p>yes</p>	<p>Covered by the company's compliance policy. In general, fair competition is envisaged by the management of Grillo, as understood by ERM. Fair competition is part of discussions within the industry associations, such as Metals Business Association or Chemical Industry Association (VCI). Competitors have clear guidance on which topics are to be covered, discussed and communicated to participants. In case of critical points regarding competition law / antitrust law are violated, employees are obliged to leave the event and report this violation.</p>	<p>Missing standards to conduct business in line with fair competition and in accordance with all applicable anti-trust laws lead to a minor finding. Systematic violations could lead to a major finding according to the definition in the TFS Audit Program.</p>
---	------------	---	---

G6. Disciplinary and Complaint Procedures

The company should provide means for their employees to report concerns or potentially unlawful activities in the workplace. Any report should be treated in a confidential manner. The company should investigate such reports and take corrective action if needed. As a best practice, the company has engaged an independent body (e.g. lawyer) that collects reports of concern and ensures confidentiality to whistle blowers. The mechanism ensures that reporting issues of concern will not be disadvantageous for whistle blowers.




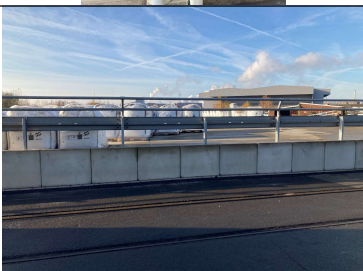


No.	Criteria and Guidance	Audit results		Expected Type	Explanation of audit results	Note to the auditor
		Answer	Type			
G6.1	Does the company have any disciplinary policies in place in order to respond to cases of misconduct of employees (including management)? Have they been clearly communicated to all employees?	yes			<p>An anonymous grievance mechanism is in place. Information on the Whistleblower Protection Act ("Hinweisgeberschutzgesetz") and related guidances are also published on the company's website.</p> <p>A contact person for such cases is defined, i.e. the compliance manager (Dr. Konrad). A specific whistleblower email address exists for individuals to reach out to. Another option is to report such cases via a provided telephone number.</p> <p>According to provided information, Grillo has implemented all necessary procedures and is in compliance with the Whistleblower Protection Act.</p>	To ensure the compliance with national law and ILO standards, the company shall have a policy on disciplinary practices in place.
G6.2	Has the company implemented disciplinary and complaint procedures in earlier cases of identified misconduct (if any)?	yes			<p>Generally, an open-door policy is maintained. Employees can go to supervisors, the compliance manager, the workers' council, or HR. All reported cases or current challenges are reportedly discussed within the monthly compliance risk reviews. General disciplinary and complaint procedures are implemented. In case of misconduct, the compliance manager tries reaching out to the respective employee to gain a better understanding of the reported issue and implement adequate measures and / or consequences.</p> <p>Example of inappropriate conduct of employee: It was reported, that a new employee appeared to publish 'critical texts' via a social platform (Facebook). This case was further investigated and it appeared that these 'critical texts' were rather old, i.e. having occurred a long time ago, when the employee was a young adult. Grillo had a comprehensive discussion with the affected employee, who appeared to be embarrassed by the statements he published a long time ago. The workers' council was informed and involved, and the employee deleted the old 'critical texts' from his social network account. No labour sanctions were implemented.</p>	<p>It is expected that the company provides means for their employees to report concerns or potentially unlawful activities in the workplace and to treat them in a confidential manner.</p> <p>Once cases of misconduct and unlawful activities are identified, these shall be followed up with due care and adequate sanctions shall be put in place in response.</p> <p>Examples include:</p> <ul style="list-style-type: none"> - formal disciplinary procedures established and communicated to all employees and management - keeping records of actions taken and grievance procedures





<p>G6.3 Does the company have a grievance mechanism for workers to report any complaints or cases of concern? If yes, is the reporting system designed to help identifying cases of misconduct and to promote reporting of misbehavior for prosecution (e.g. anonymous reporting / external point of contact that protects the whistle blower)?</p>	<p>yes</p>	<p>As mentioned above, an anonymous grievance mechanism is in place, as required by the German Whistleblower Protection Directive (Hinweiserschutzesgesetz).</p>	<p>For workers, business partners and affected communities the company needs to have a policy and process in place to effectively communicate the possibility to raise a complaint and address grievances.</p> <p>If no grievance mechanism for employees is in place, this leads to a major finding. If no grievance mechanism for business partners or other interested parties is in place, this leads to a minor finding.</p> <p>Examples: - reporting channels established for anonymous reporting of misconduct and violations or issues of concern (e.g. whistleblower hotline)</p>
--	------------	--	--

Photo Report

Note: The purpose of this photo report is to visually document important audit findings. Each photo should be briefly described indicating to which criterion it relates and how it supports overall findings and conclusions.

The number of photos is not limited. Please add additional rows, if necessary.

Picture	Description <i>(short description of the photo ,indication to which criterion it relates and how it supports findings and conclusions made)</i>
	<p>Restroom</p>
	<p>Washing facilities including the possibility of hand disinfection</p>
	<p>Exemplary emergency and eye shower surrounded by collision protection</p>
	<p>Sealed area for the storage of Bigpacs containing substances hazardous to water. The area is authorised in accordance with AwSV. The Bigpacs are separately shrink-wrapped against stormwater.</p>
	<p>Inspected fire extinguisher</p>
	<p>Ramp in the control room without railings (see H4.5)</p>

			<p>Container for sewer cover misused as a rubbish bin (see E3.2)</p>
			<p>Sealed AwSV area for tanker emptying/filling with collision protection</p>
			<p>View of showers provided for workers Please note: Photo was taken by Grillo (not ERM)</p>
			<p>View of an exemplary social room / break room within the RnD Department Please note: Photo was taken by Grillo (not ERM)</p>