

# **S-GARD SAFETY GARMENTS**

**- Hubert Schmitz GmbH**

## **social report**

Reporting period (Financial year: January 1<sup>st</sup> – December 31<sup>st</sup>, 2022)



COMPANY WEBSITE [www.s-gard.de](http://www.s-gard.de)

FAIR WEAR MEMBER SINCE JANUARY 1ST 2016

## Table of contents

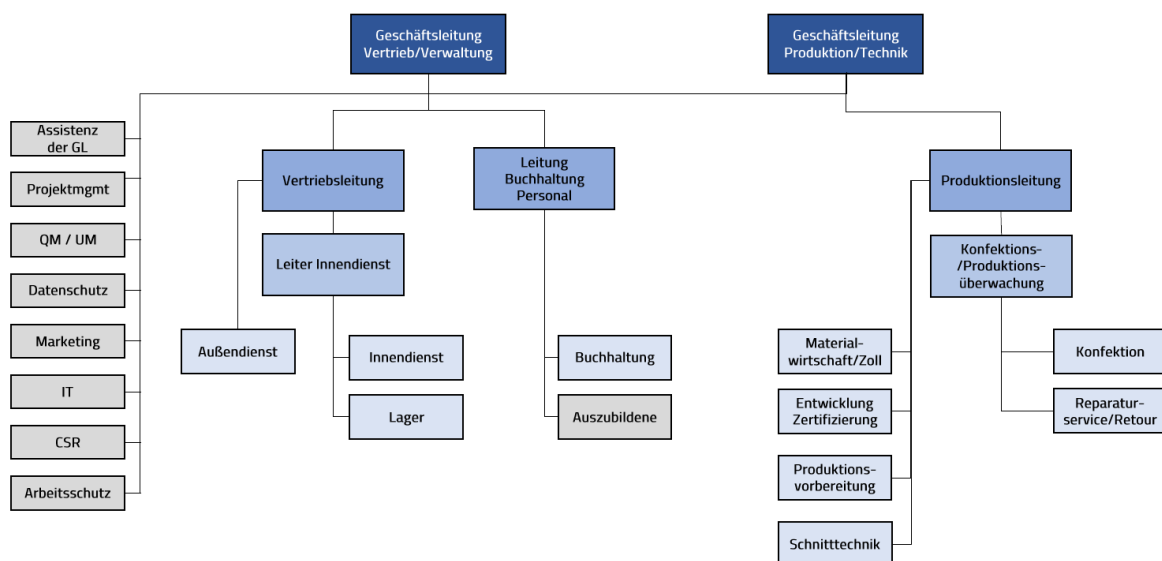
<b>Table of contents</b>	<b>2</b>
<b>Organisational chart</b>	<b>3</b>
<b>Sourcing strategy</b>	<b>4</b>
Human Rights Due Diligence	4
Sourcing strategy & pricing	4
Production cycle	5
Factory relations	6
Integration of monitoring activities and sourcing decisions	7
<b>Coherent system for monitoring and remediation</b>	<b>7</b>
<b>Complaints handling</b>	<b>7</b>
<b>Training and capacity building</b>	<b>8</b>
Activities to inform staff members	8
Activities to inform agents	9
Activities to inform manufacturers and workers	9
<b>Information management</b>	<b>9</b>
<b>Transparency &amp; communication</b>	<b>10</b>

# S-GARD SAFETY GARMENTS -

## Hubert Schmitz GmbH

### social report

#### Organisational chart



#### Summary: 2022 goals & achievements

2022 was the first year after beginning of the Covid-19 pandemic, S-GARD experienced a begin of shift of focus from short-term planning and crisis averting back to working on strategic topics and long-term goals.

Therefore, a resumption of the planned Fair Wear Audit cycle was planned. However due to difficulties in scheduling, they had to be postponed to the beginning of 2023.

January 1st – December 31st, 2022

Following the evolving Fair Wear strategy and policy shift, S-GARD started working on a responsible business conduct policy and a more systematic risk assessment towards CSR topics.

As part of S-GARDs philosophy of a family owned business, topics which were exclusive to the family management council will be more transparent through an publicly published policy. The publishing will take place in the first half of 2023.

The risk assessment regarding CSR related topics will be part of the quality management risk assessment, due to the planned update of the Fair Wear member hub and the integration of the risk assessment, it is not yet clear which form the risk assessment will finally have, or if it will change again after 2023.

Being able to visit the production locations in person more frequently again in 2022, is great achievement for S-GARD and does help to reconnect with every part of production and address the daily needs.

## **Sourcing strategy**

### **HUMAN RIGHTS DUE DILIGENCE**

As part of its human rights due diligence (HRDD) process, S-GARD is working to improve its risk assessment system in alignment with OECD guidelines.

It is a big step for S-GARD to develop a person-independent system which will improve transparency and objectivity.

### **SOURCING STRATEGY & PRICING**

Type of product: PPE- personal protective equipment (clothing only).

Process and facilities: the entire process of development purchase logistics and quality control is conducted from Heinsberg in close cooperation with its own platform organization (organizes production, supervision, cutting, material allocation, etc.) called ABH with direct connection to 5 different sewing-factories in Tunisia. Basically, all firefighter products are produced in Tunisia.

Furthermore, there is a smaller production facility in Poland for small orders/ urgent orders / repair service.

January 1st – December 31st, 2022

Persons involved:

- Strategic planning and company leadership: Mr. Bruno Schmitz, Mr. Hubert Schmitz
- Production: Mr. Hubert Schmitz, Mrs. Lea Schmitz
- Purchase: Mrs. Angelina Busch
- Customs: Mrs. Julia Voss
- Development: Mr. Jonas Kuschner, Mrs. Vera Bongard

Supplier relations: averaging 10+ years (Tunisia). There are frequent visits per year conducted e.g. project handover's, production inspections, quality controls, introduction of new manufacturing techniques etc.

Pricing strategy: Mr. Hubert Schmitz and Mrs. Vera Bongard negotiate working times and payment per order with Mr. Atef Bennani in an open process. If a product is being modified, the manufacturers price level can be adapted as often as necessary.

Furthermore, prices directly depend on order quantity and complexity of the models. This is constantly negotiated in an open dialogue with Mr. Atef Bennani. There are no fix prices at all. Sewing minutes are neither consequently captured nor the decisive basis for price discussions.

Organization of the sourcing department

Mr. Hubert Schmitz, Technical Director at S-GARD, is responsible for order and stock management. Mrs. Lea Schmitz supports him as Head of Production.

S-GARD employs two specialists- one of them responsible for all purchase activities and the second person affected with customs handling.

## **PRODUCTION CYCLE**

S-GARD is producing a mixed portfolio from standard articles and client specific-individually designed- items. Total production quantity per year is approximately 200.000 pieces of garments. Standard lead-time is between 6-12 weeks, depending on complexity and urgency of the orders, but can exceptionally stretch to 16 weeks.

Seasonal variations appear from September to March (increasing demand, high season) and April-August (decreasing demand, low season). There is no forecast process possible since production is a running procedure. Working times and capacities are carefully and closely coordinated at S-GARD. The annual low season is mostly used to refill the stock with standard items and to run special projects.

January 1st – December 31st, 2022

Planning is done together with the suppliers. Mr. Atef Bennani is permanently corresponding with the S-GARD headquarter and the sewing factories to arrange smooth processes. Planning/ordering is weekly procedure.

Specific lines are not reserved, all partners (except Hanitex) work exclusively for S-GARD with 100% of their possible performance.

Production cycle:

1. Purchase of all raw material and trimmings from Heinsberg, first incoming goods quality inspection and raw material stock keeping. No local sourcing is allowed by the rules of ISO 9001 and the European PPE guideline.
2. Overnight (truck and ferry) shipping from Heinsberg to Tunisia via Italy within 2-3 days.
3. Delivery to the Tunisian platform ABH. At ABH: order collection and allocation to the three different sewing facilities. Then fabric cutting process, entire handling and manufacturing process, readymade garments quality control.
4. Onward transport to S-GARDS exclusive sewing partners Hanitex, MRM, Jolie, ABH Extension and Nobel, here: sewing, seam sealing, etc.
5. Backward transport to ABH, incoming goods 1st quality check, then export to Germany.
6. At Heinsberg: 2nd quality examination of the ready garments before delivery.

## **FACTORY RELATIONS**

In general: as addressed previously S-GARD is running long-term cooperations, in some cases with more than ten years, and only carefully and well-prepared changes the supplier structure; following the principle of trust and confidence.

In case of new production sites, S-GARD firstly evaluates the three most important performance indicators: production capacity, price level and quality by the use of trial orders.

After passing these three significant factors successfully S-GARD considers communication skills, transport (location, etc.).

After that we focus on transparent social (including safety at work, payment, working times/ shifts, etc.) and distinctive environmental standards.

Unlike the years before decisions are no longer been taken only on the basis of personal contact, individual impressions and feelings but instead of this with an evaluation checklist, containing both social factors and all other relevant factors as addressed before.

The final decision regarding the selection of new suppliers is up to Mr. Bruno Schmitz, Mr. Hubert Schmitz and Mr. Atef Bennani.

January 1st – December 31st, 2022

S-GARD has worked out a code of conduct paper, which is distributed among the suppliers for countersigning (prevention of sub-contracting, preservation of human rights, etc.) and a comparison chart to evaluate a) the social compliance and b) social related factors including safety and health of all producers. This tool will be extended by a wage and bonus chapter and allow for more transparency in the payment situation in the upcoming years.

## **INTEGRATION OF MONITORING ACTIVITIES AND SOURCING DECISIONS**

Since S-GARD did not source from any new factories in the past year, the influence of monitoring activities on sourcing decisions is not reliably perceivable.

## **Coherent system for monitoring and remediation**

Negative findings influence the sourcing strategy, mainly in the long run, S-GARD requests a partner-like and fair cooperation and can efficiently take influence on the partners business e.g. through order volumes etc. Short-term actions can be taken as well.

Despite of that we know most suppliers for many years or strive to build reliable partnerships. This is what makes us sure that they cooperate in an efficient way with us since both sides are in reciprocal dependency.

Unfortunately Process and facilities tely, the three in 2022 planned Audits had to be postponed to beginning of 2023 due to scheduling difficulties, and therefore will not be part of this report. More detailed information on the findings of the audits will follow next year.

## **Complaints handling**

S-GARD complaints procedure:

Mr. Atef Bannani is primarily responsible in case of complaints but this only with direct S-GARD consultation. After the reception of a complaint the problem will be discussed between the two affected or, if needed, with all three parties.

January 1st – December 31st, 2022

A possible solution shall be found during this agreement process. In that context, it is S-GARD to check whether it is a single/individual or general issue, in order to start appropriate corrective actions for the future. Measures and arrangements will then be taken.

In the context of implementation, FWF's CoLP workers are extensively educated how to cope with complaints.

Complaints: no complaints received.

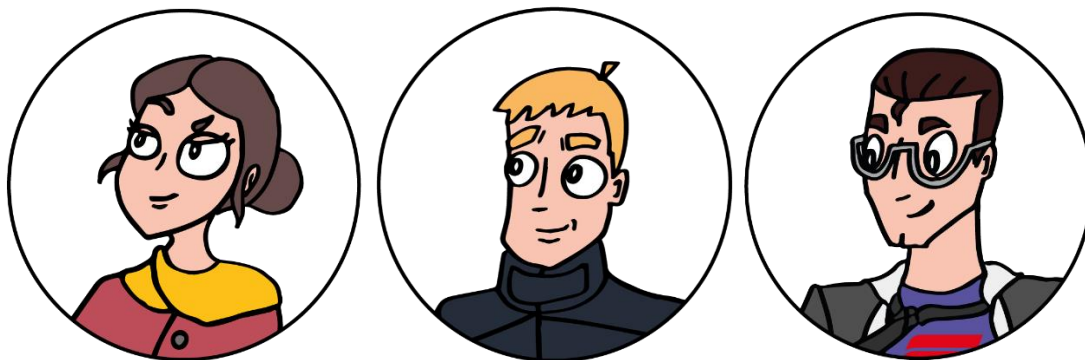
External complaints procedure:

The external complaints procedure via FWF / complaints handler remains untouched from the before mentioned procedure and is definitely always open for all employees feeling the need to go beyond the internal procedure.

## Training and capacity building

### ACTIVITIES TO INFORM STAFF MEMBERS

German staff, inclusive of the externally operating sales team, have verbally been informed about the Fairwear membership, the CoLP, first audits and their consequences. We repeat that from time to time. Additionally, a presentation following a story-telling about S-GARDs work with Fairwear was developed to give a first, brief introduction to S-GARD staff and sales partners. It is built around the three characters Sarah, Thomas and Mr. S-GARD, representing workers, customers and the company itself.



The executive has prepared a document containing the basics of S-GARD's CSR activities – under the use of the membership statement from Erica van Doorn. This letter of information is used for public relations in general, clients, and public procurers. Fair Wear has announced, that a document stating the member status is in development, which is especially helpful for communication in public procurement.



January 1st – December 31st, 2022

By having taken these steps, we enable all colleagues to give fundamental answers in terms of Fairwear and the CoLP towards third persons and parties.

The Fairwear membership is a fixed point in our two-weekly development meeting.

## **ACTIVITIES TO INFORM AGENTS**

We are with our agency, Cint Stickdesign, in a permanent discourse about all relevant social issues.

## **ACTIVITIES TO INFORM MANUFACTURERS AND WORKERS**

First of all, the FWF CoLP and related documents have been published in all manufacturing structures on well-visible and easy-accessible places.

The S-GARD management, the ABH management and the local managements carried out introduction lessons in each factory to publish, discuss and implement the CoLP's before- and because of some negative voices- again after the audits.

Thus, we hope to get all stuff principally aware of his/her personal rights and obligations on the job and what to do/how to behave in case of violations, problems, etc.

S-GARD commits itself to redo that whenever it's necessary, e.g. in case of new labour- or- in case of renewed negative interrogation results by the auditors.

To support this process, S-GARD is committed to arrange at least one WEP at one of the factories per year since 2018.

In 2019 a WEP at Nobel was held with good results and feedback. Since the training only allowed the participation of 22,5% of the workers, and additional training will be held in 2020.

## **Information management**

S-GARD is in direct contact with production locations on a daily basis to manage production and discuss technical issues. Topics towards the implementation of the Code of Labour practices are discussed in the same meetings and by the same staff members. Since S-GARDs Head of Product Development has the main responsibility for the Fair Wear membership, CSR related and technical questions are discussed continuously.

## Transparency & communication

These publishing activities have been taken:

- FWF logo placed on [www.s-gard.com](http://www.s-gard.com) and [www.s-gard.de](http://www.s-gard.de)
- FWF logo placed in general areas of product brochures and PDF's
- Hangtag on S-GARD products
- Written statement drafted for clients and public procurers with a short explanation of Fairwear and its main concerns
- Fairwear and the CoLP added to the tender documents
- Fairwear mentioned on our social media channels (Facebook, Instagram, Blog)
- Our planned product catalogue will have a page about Fairwear and our membership.