



SEDEX SMETA  
RESULTADOS  
AUDITORIA  
**2022-2023**

*Grendene*<sup>®</sup>



RELATÓRIO  
SMETA SEDEX  
**UNIDADE FORTALEZA**







# Sedex Members Ethical Trade Audit Report

Version 6.1



# Sedex Members Ethical Trade Audit Report

Audit Details			
Sedex Company Reference: (only available on Sedex System)	ZC410972263	Sedex Site Reference: (only available on Sedex System)	ZS411854036
Company Name:	Grendene SA		
Site Name:	Grendene SA - Fortaleza		
Site address: (Please include full address)	Rua Cândido Castelo Branco, 865, Fortaleza, CE	Country:	Brazil
Site contact and job title:	Talyta Angelo Cruz/Sustainable specialist		
Site phone:		Site e-mail:	talyta.cruz@grendene.com.br
SMETA Audit Type:	<ul style="list-style-type: none"> <li>✓ Labour Standards</li> <li>✓ Health &amp; Safety (plus Environment 2-Pillar)</li> <li>✓ Environment 4-pillar</li> <li>✓ Business Ethics</li> </ul>		
Date of Audit - From:	25-07-2022		
Date of Audit - To:	29-07-2022		

<p>Audit Company Logo:</p> 	<p>Report Owner (payee):(If paid for by the customer of the site please remove for Sedex upload)</p>
--	--

Audit Conducted by:
✓ AFFILIATE_AUDIT_COMPANY

If you have any concerns or queries about this SMETA report or the associated SMETA audit, please contact [grievance@sedex.com](mailto:grievance@sedex.com)

To confirm the validity of this report, please visit <https://www.sedex.com/audit-verifier/>

Auditor Account Type
Third party

## Audit Content:

- (1) A SMETA audit was conducted which included some or all of Labour Standards, Health and Safety, Environment and Business ethics. The SMETA Best Practice Guidance Version 6.1 April 2019 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, works employed by service providers, and workers provided by other contractors. Any deviations from SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.
- (2) The audit scope was against the following reference documents
  - 2- Pillar SMETA Audit
    - ETI Base Code
    - SMETA Additions
      - Management systems and code implementation,
      - Entitlement to Work Immigration,
      - Sub-Contracting and Home working,
  - 4- Pillar SMETA Audit
    - 2-Pillar requirements plus
    - Additional Pillar assessment of Environment
    - Additional Pillar assessment of Business Ethics
    - The Customer's Supplier Code(Appendix 1)
- (3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non compliances on both the audit report, CAPR and Sedex.
- (4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CARP these 'Variance in compliance between ETI code/SMETA Additions/local law and customer code's shall be noted in the observations section of the CARP.

## SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria Version 6.1. Any exceptions to this must be recorded here (e.g. different sample size):

Auditor Team (s) (please list all including all interviewers):

Lead auditor:	Thiago Figueredo	APSCA Number	RA21705728
Lead Auditor APSCA status:	✓ Registered Auditor (RA)		
Team auditor:	NA	APSCA Number	
Interviewers:	Thiago Figueredo	APSCA Number	RA21705728
Report writer	Patrick Sister		
Report reviewer:			
Date of Declaration:	29-07-2022		

Note: The focus of this ethical audit is on the ETI Base Code and local law. The additional elements will not be audited in such depth or scope, but the audit process will still highlight any specific issues.

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

## Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.	Area of Non - Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Summary of Findings (note to auditor, summarise in as few words as possible, all findings, NC, Obs & GE's.)
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A <a href="#">Universal Rights covering UNGP</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
0B <a href="#">Management Systems &amp; Code Implementation</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
1 <a href="#">Freely Chosen Employment</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
2 <a href="#">Freedom of Association</a>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
3 <a href="#">Safety and Hygienic Conditions</a>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2	1	0	- During document review, it was noted that the facility has Fire Permit (AVCB) nº 171605 is expired since 03/28/2021. The facility had the project approved by certificate nº 295074 on 07/08/2021 and is awaiting inspection to issue the AVCB. Durante análise de documentos foi evidenciado que a empresa está com o AVCB nº 171605 vencido desde 28/03/2021. A empresa teve o projeto aprovado pelo certificado nº 295074 no dia 07/08/2021 e está no aguardo da vistoria para emissão do AVCB. - During the visit, it was evidenced that there was no locker available for the individual safekeeping of the employees' belongings. Durante visita, evidenciado constatada ausência da disponibilização de armários

									para guarda individuais dos pertences dos funcionários. - Company does not have employees trained to assist employees with special needs in the evacuation process
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
7	<u>Discrimination</u>	<input type="checkbox"/>	✓	<input type="checkbox"/>	<input type="checkbox"/>	1	0	0	- During analysis of documents, it was evidenced that the quota of employees with Special Needs was not met. Currently the Grendene Group has 17,144 employees and its quota is 5%, with 812 employees, and currently the company has 766 employees with special needs. Não Conformidade, Durante análise de documentos, evidenciado não atendimento a cota de empregados Portadores de Necessidades Especiais, atualmente o grupo Grendene possui 17.144 funcionários tendo sua cota de 5% sendo 812 funcionários, atualmente empresa possui 766 funcionários portadores de necessidades especiais.
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
8A	<u>Sub-Contracting and Homeworking</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	

10A	<u>Entitlement to Work</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
10B2	<u>Environment 2-Pillar</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
10B4	<u>Environment 4-Pillar</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	1	1	- Company did not present SAQ before the audit process Empresa não apresentou SAQ antes do processo de auditoria - Facility reuse water from treatment station in toilets and to water the garden. The draft is used to fertilize the soil.
10C	<u>Business Ethics</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	

General observations and summary of the site:

Grendene, founded in 1971, is one of the world's largest footwear producers. It has exclusive technologies in the production of footwear for the women's, men's and children's markets. It has successful and widely known brands, including Melissa, Grendha, Zaxy, Rider, Cartago, Ipanema, Pega Forte, Grendene Kids and Zizou. The fortaleza site has 21,999.13 m<sup>2</sup> of built-up area, with two production halls, and the plant is celebrating its 32nd anniversary in 2022. Grendene sells its products through commercial representatives, distributors, direct exports and exports through its subsidiary Grendene USA, Inc. These reach approximately 45,000 points of sale outside Brazil and 65,000 in the Brazilian market. Excellent construction, hygienic working conditions and high technology.

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



## Site Details

Site Details											
A: Company Name:	Grendene SA										
B: Site Name:	Grendene SA - Fortaleza										
C: GPS location: (If available)	GPS Address:	Latitude: -3,7076931 Longitude: -38,5822952									
D. Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	<p>CNPJ 89.850.341/0014-84 Operation License n°AF00053898/2022 issue date 12/07/2022 expiration date 23/07/2023. FSC Registered Trademark License Certificate for Promotional Use FSC®N003114 valid until 03/24/2023. CERTIFICATE OF OPERATING LICENSE - CLF No.: 2020-00559923 Expiry date: 08/25/2023. IBAMA FEDERAL TECHNICAL REGISTRATION No. 339782 with Certificate of Good Standing valid until: 08/02/2022. Certificate of acquisition of chemicals controlled by the Brazilian Army n°562868 valid until 08/04/2023. Environmental Operation License no. LO_PD024/2022 Date of issuance 03/14/2022 expiration date 03/14/2027. USE RIGHT AUTHORIZATION No. 946/2021 Administrative proceeding No. 03895066/2021 Period of validity of the grant: 10 years (May 18, 2021 to May 18, 2031). Certificate of Compliance No. 300308 Issued on September 22, 2021, validity: 03 years (September 22, 2024).</p>										
E. Products/Ingredients handled at site, for example, garments, electricals, toys, meat processor, specific grower	Manufacture of shoes and sandals										
F: Site description: (Include size, location, and age of site. Also include structure and number of buildings)	<p>Site size: 43.758 square meters of land and 22.968 square meters of construction Site location: Fortaleza / Ceará - Brazil Site age of site: since 1977 Site structure: Concrete Number of buildings: 15</p> <table border="1" data-bbox="539 1765 1453 1942"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>1</td> <td></td> <td></td> </tr> <tr> <td>Floor 1</td> <td></td> <td></td> </tr> </tbody> </table>		Production Building no	Description	Remark, if any	1			Floor 1		
Production Building no	Description	Remark, if any									
1											
Floor 1											

	Is this a share building?		
F1: Visible structural integrity issues (large cracks) observed?	✓ No		
F2: Please give details:			
F3: Does the site have a structural engineer evaluation?	✓ N/A		
F4: Please give details:			
G: Site Function:	✓ Factory Processing/Manufacturer		
H: Month(s) of peak season: (if applicable)	✓ September ✓ October ✓ November ✓ December		
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used, cutting, sewing, packaging etc)	Product: shoes Main operations: receiving, dyeing, injection, assembly, packing and expedition Production tines: 22 Main equipment: injector, running machine, oven and stove, sewing machine, press, balance beam, serigraphy, hot stamping, reviter, guillotine, painting cabin and milling machine.		
J: What form of worker representation / union is there on site?	✓ Union (name)		
J1: Union name:	SINDICATO DA INDUSTRIA DE CALCADO DE FORTALEZA - CE, CNPJ n. 07.341.134/0001-15		
J2: If other, please specify			
K: Is there any night production work at the site?	✓ Yes		
L: Are there any on site provided worker accommodation buildings e.g. dormitories?	✓ No		

L1: If yes, approx. % of workers in on site accommodation?	
M: Are there any off site provided worker accommodation buildings?	✓ No
M1: If yes, approx. % of workers	
N: Were all site provided accommodation buildings included in this audit?	✓ N/A
N1: If no, please give details	

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 08:00 A2: Day 1 Time out: 17:00	A3: Day 2 Time in: 08:00 A4: Day 2 Time out: 17:00	A5: Day 3 Time in: 08:00 A6: Day 3 Time out: 17:00
B: Number of auditor days used:	4.5		
C: Audit type:	✓ Periodic		
D: Was the audit announced?	✓ Announced		
D1: Window detail: (weeks)			
E: Was the Sedex SAQ available for review?	✓ No		
E1: If No, why not?	It was not presented		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings? If Yes, please capture detail in appropriate audit by clause	✓ N/A		

G: Who signed and agreed CAPR (Name & Job title)	Talyta Angelo Cruz/Sustainable specialist
H: Is further information available (If yes, please contact audit company for details)	✓ No
I: Previous audit date:	
J: Previous audit type:	
K: Were any previous audit reviewed for this audit	✓ Yes

Audit attendance	Management	Worker Representatives	
	Senior Management	Worker Committee Representatives	Union Representatatives
A: Present at the opening meeting?	✓ Yes		
B: Present at the audit?	✓ Yes		
C: Present at the closing meeting?	✓ Yes		
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)			
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)			

## Worker Analysis

“The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity.”

Worker Analysis								
	Local			Migrant			Home workers	Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency		
Worker numbers - male	871	0	20	0	0	0	0	891
Worker numbers - female	938	0	7	0	0	0	0	945
Total	1809		27					1836
Number of Workers interviewed male		0	0	0	0	0	0	
Number of Workers interviewed female		0	0	0	0	0	0	
Total interviewed sample size								

[Management Overview]A: Nationality of Management	✓ Brazilian	
B: Please list the nationalities of all workers, with the three most common nationalities listed first. Please add more nationalities as applicable to site. Add more rows if required.	B: Brazilian B1: Brazilian B2: _____	Was the list completed during peak season? ✓ Yes

		If no, please describe how this may vary during peak periods:
C: For the most common nationality approx% of total workforce:	approx % of total workforce: nationality 1: 100 approx % of total workforce: nationality 2: 0 approx % of total workforce: nationality 3: 0	
D: Worker remuneration (management information)	0% workers on piece rate 0% D1: hourly paid workers 100% D2: salaried workers	Payment cycle: 0% D3: Workers daily paid 0% D4: Workers weekly paid 100% D5: Workers monthly paid ...% D6: Workers other paid D7: If Other, please give details:

Worker Interview Summary	
[Worker Interview Summary] A: Were workers aware of the audit?	✓ Yes
B: Were workers aware of code?	✓ Yes
C: Number of group interviews: (Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG please state within the declaration)	32 employees divided in 08 groups
D1: Number of individual interviews (Please see SMETA Best Practice Measurement Criteria) - Male	23
D2: Number of individual interviews (Please see SMETA Best Practice Measurement Criteria) - Female	29
E: All workers are included in the scope of this audit such as; Direct, Casual & Agency, Workers employed by service	✓ Yes

providers & workers supplied by contractors. Note: please record details of migrant /agency/contractor workers in section 8 - Regular Employment under Responsible Recruitment	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	✓ Yes
G: In general what was the attitude of the workers towards their workplace?	✓ Favourable
H: What was the most common worker complaint?	Quality of the meals served at the company
I: What did the workers like the most about working at this site?	Timely payment and prepayments, opportunities for growth internally
J: Any additional comment(s) regarding interviews:	Interviews with technical staff, leadership and third parties
K: Attitude of workers to hours worked:	
L. Is there any worker survey information available?	✓ No
M: Attitude of workers: (Include their attitude to management workplace and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk	Timely payment and prepayments, opportunities for growth internally
N: Attitude of worker's committee/ union reps: (Include their attitude to management workplace and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk	According to the Brazilian Constitution of 1988 (Article 8), employees are free to join unions.
O: Attitude of managers: (Include attitude to audit and audit process. Both	Managers extremely collaborative to meet the auditor's request.

positive and negative information should be included)



## Audit Results by Clause

### 0A: Universal Rights covering UNGP [\(Click here to return to Summary of Findings\)](#)

#### 0.A. Guidance for Observations

0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.

0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights

0.A.3 Businesses shall identify their stakeholders and salient issues.

0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.

0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.

0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.

Note for auditors and readers. This is not a full Human Rights Assessment, but instead a check on the business's implementation of processes to meet their Universal rights covering UNGP responsibilities.

### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

#### Current systems:

Document review/Code of Conduct/Interviews with managers and employees

Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021. Grendene's Reporting Channel Site: <https://www.linhaetica.com.br/etica/grendene>  
 Telephone: 0800 208 0048 Caixa postal 79518 CEP 04711-904 São Paulo / SP Evidenced Denunciation and Consequences Management Policy document signed by the company's president Mr. Alexandre Grendene Bartelle dated February 24, 2022. Evidenciada Ata de criação do comitê de ética da empresa, comitê de ética tem como coordenador o Sr. Ralph Fonseca Muniz de Melo, Especialista em Management and Ethics, and as secretary of the committee, Ms. Taisa Sandoli Rossetto Sanitary and Environmental Engineering.

No Comments

[Universal Rights covering UNGP Table] A: Policy statement that expresses commitment to respect human rights?	✓ Yes
A1: Please give details: mainly applicable for the parent company	
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	✓ Yes
C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	✓ Yes
C1: If no, please give details	Reporting Channel Grendene Site: <a href="https://www.linhaetica.com.br/etica/grendene">https://www.linhaetica.com.br/etica/grendene</a> You can also contact us by phone: 0800 208 0048 or by letter Caixa postal 79518 CEP 04711-904 São Paulo / SP. The complaints management process is carried out by an independent company.
D: Does the grievance mechanism meet UNGP expectations? (Legitimate, Accessible, Predictable, Equitable, Transparent, Rights-compatible, a source of continuous learning and based on stakeholder engagement)?	✓ Yes
D1: If no, please give details	
E: Does the business demonstrate effective data privacy procedures for workers' information which is implemented?	✓ Yes
E1: Please give details	Computerized system and document storage with access restricted to the human resources team only.

Findings	
Finding: <input type="checkbox"/> Observation <input type="checkbox"/> Company NC  Local law or ETI/Additional elements / customer specific requirement:  Comments:	Objective evidence observed:

Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:

## Measuring Workplace Impact

Workplace Impact		
A: Annual worker turnover: Number of workers leaving in last 12 months as a % of average total number of workers on site over the year (annual worker turnover)	[Measuring Workplace Impact] A1: Annual worker turnover (Number of workers leaving in last 12 months as a % of average total number of workers on site over the year) Last year: 1%	A2: Annual worker turnover (Number of workers leaving in last 12 months as a % of average total number of workers on site over the year) This year: 1%
B: Current % Quarterly (90 days) turnover: (Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])	2	

<p>C: % absenteeism  # of days lost through job absence in the month / [(# employees on 1st of the month + # employees on the last day of the month / 2]  * # available workdays in the month</p>	<p>C1: Annual % absenteeism last year:  (Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year / 2] * number available workdays in the year) Last year:  5%</p>	<p>C2: Annual % absenteeism last year: (Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year / 2] * number available workdays in the year)  This year:  5%</p>
<p>D: Quarterly (90 days) % absenteeism: (Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2]* Number of available workdays in the month)</p>	<p>5%</p>	
<p>E: Are accidents recorded?</p>	<p>✓ Yes  E1: Please describe</p>	
<p>F: # work related accidents and injuries per 100 workers  [# work related accidents and injuries * 100) / # total workers]</p>	<p>Last year:  Number:  15</p>	<p>This year:  Number:  8</p>
<p>G: Quarterly (90 days) # work related accidents and injuries per 100 workers last year: [(Number of work related accidents and injuries * 100) / Number of total workers]</p>	<p>3</p>	
<p>H 1/2: Lost day work cases per 100 workers [(# lost days due to work</p>	<p>Last year:</p>	<p>This year:</p>

accidents and work related injuries * 100) / # total workers]		
I 1/2: % of workers that work on average more than 48 standards hours / week in the last 6 / 12 months:	6 months	12 months
	...% workers	...% workers
J 1/2: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	6 months	12 months
	...% workers	...% workers

**0B: Management system and Code Implementation**

[\(Click here to return to Summary of Findings\)](#)

- 0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.3 Suppliers are expected to communicate this Code to all employees.
- 0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.

**Current Systems and Evidence Examined**

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

**Current systems:**

Document review and Code of Conduct

Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

The Grendene Code of Conduct was implemented on December 1st, 2008 and revised on April 29th, 2021, document is approved by the administrative committee and is headed by Mr. Ralph Fonseca Muniz de Melo, Specialist in Risk Management and Ethics Operation License nºAF00053898/2022 issue date 12/07/2022 expiration date 23/07/2023. FSC Registered Trademark License Certificate for Promotional Use FSC®N003114 valid until 03/24/2023. CERTIFICATE OF OPERATING LICENSE - CLF No.: 2020-0059923 Expiry date: 08/25/2023. IBAMA FEDERAL TECHNICAL REGISTRATION No. 339782 with Certificate of Good Standing valid until: 08/02/2022. Certificate of acquisition of chemicals controlled by the Brazilian Army nº562868 valid until 08/04/2023. Environmental Operation License no. LO\_PD024/2022 Date of issuance 03/14/2022 expiration date 03/14/2027. USE RIGHT AUTHORIZATION No. 946/2021 Administrative proceeding No. 03895066/2021 Period of validity of the grant: 10 years (May 18,

2021 to May 18, 2031). Certificate of Compliance No. 300308 Issued on September 22, 2021, validity: 03 years (September 22, 2024).

No Comments

**Management Systems:**

[Management Systems Table] A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	✓ No
B: Do policies and/or procedures exist that reduce the risk of forced labour child labour discrimination harassment & abuse?	✓ Yes
B1: Please give details:	The Grendene Code of Conduct was implemented on December 1st, 2008 and revised on April 29th, 2021, document is approved by the administrative committee and is headed by Mr. Ralph Fonseca Muniz de Melo, Specialist in Risk Management and Ethics
C: If yes, is there evidence (an indication) of effective implementation?	✓ Yes
C1: Please give details:	During the interviews, it was identified that the employees have a good level of knowledge about the organization's Code of Conduct. Training is carried out during the integration process and annually updated books are provided.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	✓ Yes
D1: Please give details:	Training is carried out during the integration process and annually updated books are provided.

E: If yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	✓ Yes
E1: Please give details:	During the interviews, it was identified that the employees have a good level of knowledge about the organization's Code of Conduct. Training is carried out during the integration process and annually updated books are provided.
F: Does the site have any internationally recognised system certifications e.g. ISO 900014000, OHSAS 18000, SA8000 (or other social audits).	✓ Yes
F1: Please give details: (Please detail number and date)	Certificate of Registration FSC Trademark License for Promotional Use N003114 Date of issue and country: 25.03.2022, Brazil - Expires: 24.03.2023
G: Is there a Human Resources manager/ department?	✓ Yes
G1: Please give details:	Francisca Luciana Paula Silva - Human Resources Supervisor
H: Is there a senior person /manager responsible for implementation of the Code	✓ Yes
H1: Please give details:	Ralph Fonseca Muniz de Melo, Specialist in Risk Management and Ethics
I: Is there a policy to ensure all worker information is confidential?	✓ Yes
I1: Please give details:	
J: Is there an effective procedure to ensure confidential information is kept confidential?	✓ Yes
J1: Please give details	The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021, document is approved by the administrative committee Employee information is restricted and has limited access only to the manager of the Human Resources and Senior Management department



K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	✓ Yes
K1: Please give details:	Internal assessments of stakeholder awareness of the Code of Conduct and Ethics implemented by the organization
L: Does the facility have a process to address issues found when conducting risk assessments including implementation of controls to reduce identified risks?	✓ Yes
L1: Please give details	System of periodic evaluation with top management to analyze records of actual or potential deviations in conduct. Ethics Committee
M: Does the facility have a policy/code which require labour standards of its own suppliers?	✓ Yes
M1: Please give details	The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021, document is approved by the administrative committee
<b>Land rights</b>	
[Land Rights] N: Does the site have all required land rights licenses and permissions? (see SMETA measurement criteria)	✓ Yes
N1: Please give details	Operation License nºAF00053898/2022 issue date 12/07/2022 expiration date 23/07/2023. IBAMA FEDERAL TECHNICAL REGISTRATION No. 339782 with Certificate of Good Standing valid until: 08/02/2022. Environmental Operation License no. LO_PD024/2022 Date of issuance 03/14/2022 expiration date 03/14/2027. Certificate of Compliance No. 300308 Issued on September 22, 2021, validity: 03 years (September 22, 2024).
O: Does the site have systems in place to conduct legal due diligence to recognize	✓ No



and apply national laws and practices relating to land title?	
P: Does the site have a written policy and procedures specific to land rights. If yes, does it include any due diligence the company will undertake to obtain free, prior and informed consent, (FPIC) even if national/local law does not require it	✓ N/A
Q: Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	✓ N/A
R. Does the Facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	✓ N/A
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	✓ Yes
S1: Please give details	Not applicable. The Site has no land for new acquisition or footprint expansion. The site is a headquarters only and is placed in an industrial area.

Non Compliances	
Description of non-compliance: <input type="checkbox"/> NC against ETI code: <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer  Local law and/or ETI requirement:  Recommended corrective action:	Objective evidence observed: (where relevant please add photo numbers)

Observation	
Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:

Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:

<b>1: Freely Chosen Employment</b> <a href="#">(Click here to return to Summary of Findings)</a>
<b>ETI</b>
1.1 There is no forced, bonded or involuntary prison labour. 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

<b>Current Systems and Evidence Examined</b>
<p>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</p>
<p><b>Current systems:</b> Interviews with employees</p> <p>Evidence examined - to support system description (Documents examined &amp; relevant comments. Include renewal/expiry date where appropriate):</p> <p>Interviews were conducted with employees and no situations were identified in which they are prevented from returning to their homes at the end of their work days or that companies withhold legal documentation as a form of cohesion so that they do not leave their jobs.</p> <p>No Comments</p>

[Freely Chosen Employment Table] A: Is there any evidence of retention of original documents e.g. passports/ID's?	✓ No
B: Is there any evidence of a loan scheme in operation?	✓ No

C: Is there any evidence of retention of wages /deposits?	✓ No
D: Are there any restrictions on workers' freedom to terminate employment?	✓ No
E: If any part of the business is based in the UK or registered there & has a turnover over £36m, is there a published modern day slavery statement ?	✓ No
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	✓ No
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	✓ N/A
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	✓ Yes
H1: Please describe finding:	The Grendene Code of Conduct

Non Compliances	
Description of non-compliance: <input type="checkbox"/> NC against ETI code: <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer  Local law and/or ETI requirement:  Recommended corrective action:	Objective evidence observed: (where relevant please add photo numbers)

Observation	
Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:

Good Examples observed:
-------------------------

Description of Good Example (GE):	Objective evidence observed:
-----------------------------------	------------------------------

**2: Freedom of Association**  
[\(Click here to return to Summary of Findings\)](#)

**ETI**

2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.

2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.

2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.

2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

**Current Systems and Evidence Examined**

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

**Current systems:**

Document Review Code of Conduct

Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Convenção coletiva de trabalho 2021/2023 - SINDICATO DA INDUSTRIA DE CALCADO DE FORTALEZA - CE, CNPJ n. 07.341.134/0001-15, Conducted interviews with employees who positively demonstrated that they have knowledge about the local union and are not barred from joining the union

No Comments

[Freedom of Association Table] A: What form of worker representation/union is there on site?	✓ Union
--	---------

B: Is it a legal requirement to have a union?	✓ No
C: Is it a legal requirement to have a worker's committee?	✓ No
D: Is there any other form of effective worker/management communication channel? (Other than union/ worker committee e.g. H&S sexual harassment ) ?	✓ Yes
D1: Please give details:	The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021, the document is approved by the administrative committee and is headed by Mr. Ralph Fonseca Muniz de Melo, Specialist in Risk Management and Ethics Reporting Channel Grendene Site: <a href="https://www.linhaetica.com.br/etica/grendene">https://www.linhaetica.com.br/etica/grendene</a> You can also contact us by phone: 0800 208 0048 or by letter Caixa postal 79518 CEP 04711-904 São Paulo / SP. The complaints management process is carried out by an independent company. Evidenced Management Policy for Complaints and Consequences document signed by the president of the company Mr. Alexandre Grendene Bartelle dated February 24, 2022. Evidenced Minutes of creation of the company's ethics committee, the ethics committee is coordinated by Mr. Ralph Fonseca Muniz de Melo, Specialist in Management and Ethics, and as secretary of the committee, Ms. Taisa Sandoli Rossetto Sanitary and Environmental Engineering.
D2: Is there evidence of free elections?	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	✓ Yes
E1: Please give details:	
F: Name of union and union representative if applicable:	SINDICATO DA INDUSTRIA DE CALÇADO DE FORTALEZA - CE, CNPJ n. 07.341.134/0001-15,
F1: Is there evidence of free elections?	✓ N/A

G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	
G1: Is there evidence of free elections?	✓ N/A
H: Are all workers aware of who their representatives are?	✓ Yes
I: Were worker representatives freely elected?	✓ Yes
I1: Date of last election:	
J: Do workers know what topics can be raised with their representatives?	✓ Yes
K: Were worker representatives/union representatives interviewed?	✓ No
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Not Rated - the union is not site-specific and workers generally do not take active participation in union activities, plus the company has to respect the CBA.
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	✓ Yes
M1: If yes, what % workers covered by Union CBA?	100
M2: If yes, what % workers covered by worker rep CBA?	
M3: If yes, does the Collective Bargaining Agreement (CBA) include rates of pay?	✓ Yes
N: If Yes what percentage by trade Union/worker representation	__answer value of 100% workers covered by Union CBA
O: If Yes, does the Collective Bargaining Agreement (CBA) include rates of pay	

Non Compliances

Description of non-compliance: <input type="checkbox"/> NC against ETI code: <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer  Local law and/or ETI requirement:  Recommended corrective action:	Objective evidence observed: (where relevant please add photo numbers)
---	---

Observation	
Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:

Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:

**3: Safe and Hygienic Conditions**  
[\(Click here to return to Summary of Findings\)](#)  
[\(Go back to Key information\)](#)

**ETI**

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

3.2 Workers shall receive regular and recorded Health & Safety training, and such training shall be repeated for new or reassigned workers.

3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.

3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

3.5 The company observing the code shall assign responsibility for Health & Safety to a senior management representative.

**Current Systems and Evidence Examined**

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies



are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

**Current systems:**

Procedures, Work Instruction, Records, Interviews, Review of normative document on occupational health and safety.

Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Evidence of health and safety at work, document prepared and published in booklets, company distributes to all employees. Regulatory Standard 01 - Management Program Occupational Risks issued in April 2022 by the professional register ANTONIO WAGNER GOIS FILHO Crea 14416D/CE. Regulatory Standard 04 - SESMT (Specialized Services in Safety Engineering and in Occupational Medicine) I declare with: - 01 technician in nursing. - 04 technicians in health and safety at work. - 01 Engineer in health and safety at work. - 02 occupational physicians. Regulatory Standard 05 - CIPA management 2022/2023 with 28 employees participating in CIPA, 14 (08 permanent and 06 substitutes) indicated by the employer and 14 (08 permanent and 06 substitutes) elected by the employees, minutes of I can held on 07/25/2022, training for CIPA members held on 07/08, 07/11 and 07/12 of 2022. SIPAT held in Hybrid modality in the month of April/2022. Regulatory Standard 06 - Evidence of the availability of PPE (Personal Protective Equipment) for all employees and according to the requirements of the PGR, all PPE has an Approval Certificate from INMETRO. Regulatory Standard 07 - Evidenced PCMSO (Program of Medical Control of Occupational Health) document prepared in May/2022 by the professional LEONARDO OLIVEIRA COSTA WORKING MD, CRM/CE 11327. Regulatory Standard 08 - Evidenced structural installations in conformity. Regulatory Standard 10 - Evidenced record of electrical installations in accordance, document prepared by the professional registration CREA/CE: 52862D. Regulatory Standard 11 - Evidenced load moving equipment in compliance, evidenced training for employees who make use of forklifts and motorized carts for transporting parts. Regulatory Standard 12 - During document analysis, evidenced risk assessment of machinery, in sampling APRs were evidenced (AR MGS00001/18) Granulator mill, AR2701-00 Riveting Machine, all are in compliance. Regulatory Standard 13 - Evidence of records, inspection books and maintenance reports of the pressure vessels used in the production process, 04 pressure vessels were sampled. Regulatory Standard 17 - Evidence of ergonomic analysis of the work updated in 2021, all chairs, benches and seats have ergonomic adjustment. Regulatory Standard 23 - Evidence of training for the correct handling of firefighting equipment and performance of an evacuation drill in April/2022.

No Comments

[Safe & Hygienic Conditions Table ]A:  
Does the facility have general Health &

✓ Yes



Safety and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?	
A1: Please give details:	The company has an occupational health and safety policy and a guide to safe and healthy behavior, documents that are signed by the president of the company. All positions have standard operating procedures, and employees receive training on these procedures before starting their activities.
B: Are the policies included in workers' manuals?	✓ Yes
B1: Please give details:	
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	✓ No
D: Are visitors to the site informed on H&S and provided with personal protective equipment?	✓ Yes
D1: Please give details:	Third-party employees go through training and have a specific guide for third-party employees.
E: Is a medical room or medical facility provided for workers?	✓ No
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid	✓ Yes
F1: Please give details:	The company provides an outpatient clinic as required. There are 02 doctors and 01 occupational nurse.
G: Where the facility provides worker transport - is it fit for purpose, safe, and maintained and operated by competent persons e.g. buses and other vehicles?	✓ No
H: Is secure personal storage space is provided for workers in their living space and is fit for purpose?	✓ No

I: Are H&S Risk assessments conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	✓ Yes
I1: Please give details:	Management Program Occupational Risks issued in April 2022 by the professional register ANTONIO WAGNER GOIS FILHO Crea 14416D/CE.
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources ?	✓ Yes
J1: Please give details:	FEDERAL TECHNICAL REGISTRATION IBAMA #339782 with Certificate of Good Standing valid until: 08/02/2022. Certificate of acquisition of chemicals controlled by the Brazilian Army nº562868 valid until 08/04/2023. Environmental Operation License no. LO_PD024/2022 Date of issuance 03/14/2022 expiration date 03/14/2027. USE RIGHT AUTHORIZATION No. 946/2021 Administrative proceeding No. 03895066/2021 Period of validity of the concession: 10 years (from May 18, 2021 to May 18, 2031).
K: Is the site meeting its customer requirements on environmental standards including the use of banned chemicals?	✓ Yes
K1: Please give details:	

### Non Compliances

<p><b>1. Description of non-compliance:</b></p> <p><input type="checkbox"/> NC against ETI code: <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer</p> <p>During document review, it was noted that the facility has Fire Permit (AVCB) nº 171605 is expired since 03/28/2021. The facility had the project approved by certificate nº 295074 on 07/08/2021 and is awaiting inspection to issue the AVCB. Durante análise de documentos foi evidenciado que a empresa está com o AVCB nº 171605 vencido desde 28/03/2021. A empresa teve o projeto aprovado pelo certificado nº</p>	<p>Objective evidence observed: (where relevant please add photo numbers) Document Analysis During a visit to the unit - Durante visita a unidade</p>
--	---

295074 no dia 07/08/2021 e está no aguardo da vistoria para emissão do AVCB.

Local law and/or ETI requirement:

According to Ceará State Law n 13556/2004, which provides for fire safety and other measures. Article 2The issuance of licenses for construction, operation of any establishments or use of construction, new or old, will depend on prior issuance, by the Fire Department, of a Certificate of Compliance of the Fire and Panic Protection System. § 1. The safety requirements provided for by the Fire and Panic Protection System will be applied to buildings and risk areas, and must be observed during: I - construction and/or renovation; II - change of occupation and/or use; III - expansion of the built area; IV - adequacy of buildings and risk areas that existed prior to the publication of this Law; and V - expiration of the validity of the respective Inspection Certificates.

Recommended corrective action:

On September 22, 2021, the factory received the firefighters' certificate of conformity number 300308 (AVCB) and it is valid until September 22, 2024

2. Description of non-compliance:

NC against ETI code:  NC against Local Law  NC against customer

During the visit, it was evidenced that there was no locker available for the individual safekeeping of the employees' belongings. Durante visita, evidenciado constatada ausência da disponibilização de armários para guarda individuais dos pertences dos funcionários.

Local law and/or ETI requirement:

Regulatory Standard 24 item 24.4.8 In companies not required to keep a locker room, the supply of a locker, drawer with lock or similar that allows the individual storage of workers' personal belongings or a storage-room service must be guaranteed. Norma Regulamentadora 24 item 24.4.8 Nas empresas desobrigadas de manter vestiário, deve ser garantido o fornecimento de escaninho, gaveta com tranca ou similar que permita a guarda individual de pertences pessoais dos trabalhadores ou serviço de guarda-volume.

Recommended corrective action:

Company must provide individual lockers or monitored lockers for all employees. Empresa deve disponibilizar armários individuais ou guarda volume monitorado para todos os funcionários.

Observation

<p>Description of observation: Company does not have employees trained to assist employees with special needs in the evacuation process</p> <p>Local law or ETI requirement: There is no specific legislation for this item, item evaluated as a process to improve the company's risk management.</p> <p>Comments: No Comments</p>	<p>Objective evidence observed: As reported and document analysis</p>
---	---

<p>Good Examples observed:</p>	
<p>Description of Good Example (GE):</p>	<p>Objective evidence observed:</p>

<p>4: Child Labour  <a href="#">(Click here to return to Summary of Findings)</a>  <a href="#">(Go back to Key information)</a></p>
<p style="text-align: center;">ETI</p> <p>4.1 There shall be no new recruitment of child labour.          4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.          4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.          4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.</p>

<p>Current Systems and Evidence Examined</p> <p>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</p>
<p>Current systems: Review of procedures, instructions, records, and documents associated with the assessed requirement.</p> <p>Evidence examined - to support system description (Documents examined &amp; relevant comments. Include renewal/expiry date where appropriate):</p>

Code of ethics and conduct. Recruitment, selection and admission policies. Staff records. Not identified young workers in operational activities. Not identified that children and young persons under 18 worked in night or in hazardous conditions. Company does not hire minors. No comments

[Child Labour Table] A: Legal age of employment:	16
B: Age of youngest worker found:	18
C: Are there children present on the work floor but not working at the time of audit?	✓ No
D: % of under 18's at this site (of total workers):	
E: Are workers under 18 subject to hazardous work assignments? <a href="#">(Go to clause 3 - Health and Safety)</a>	✓ No

Non Compliances	
Description of non-compliance: <input type="checkbox"/> NC against ETI code: <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer  Local law and/or ETI requirement:  Recommended corrective action:	Objective evidence observed: (where relevant please add photo numbers)

Observation	
Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:

Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:

5: Living Wages and Benefits  
[\(Click here to return to Summary of Findings\)](#)  
[\(Go back to Key information\)](#)

ETI

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

**Current Systems and Evidence Examined**

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

**Current systems:**

Documents Review-Mandatory documents according to current labour legislation.

Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Evidenced that Labour contracts and payments are in accordance with their collective bargaining agreement and current Brazilian legislation (Consolidation of labour Laws - CLT, arts. 442 and 443, caput). Through interviews with verified employees who all have a formal work permit and record, as well as a signed work contract. Through interviews with unidentified employees, arbitrary deductions in wages. Sampling was done in the documentation related to the payments of 62 employees. Payments made by bank transfer. The company has three work shifts as following: 1o: 5:20am until 02:40pm with 1 :00h lunch time break. 7:00 am to 03:40pm 1 :00h lunch time break. 2o: 02:40 pm to 1 0:00pm with 1 :00h lunch time break. 3o: 10:00 pm to 05:00am with 1 :00h lunch time break. Administrative: 07:30am to 05: 18pm-Sunday do Friday- with 1 :00h lunch time break.

No comments

Non Compliances	
Description of non-compliance: <input type="checkbox"/> NC against ETI code: <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer  Local law and/or ETI requirement:  Recommended corrective action:	Objective evidence observed: (where relevant please add photo numbers)

Observation	
Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:

Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:

### Summary Information

Criteria	Local Law (Please state legal requirement)	Actual at the Site (Record site results against the law)	Is this part of a Collective Bargaining Agreement?
[Summary Information] A: Standard/ Contracted work hours (Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month): Legal Maximum	220 hours/ month	220 hours/ month	✓ Yes



B: Overtime hours (Maximum legal and actual overtime hours, please state if possible per day, week, and month): Legal Maximum	2 hours/day - 10 hours/ week	2 hours/day - 10 hours/ week	✓ Yes
C: Wage for standard/contracted hours (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month): Legal Minimum	1.212,00 BRL/ Month	1242,00 BRL / Month	✓ Yes
D: Overtime wage (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month): Legal Minimum	150% above salary /hour 200% above salary/hour in Wednesdays Holidays or rest days	150% above salary /hour 200% above salary/hour in Wednesdays Holidays or rest days	✓ Yes

Wages analysis: <a href="#">(Go back to Key information)</a>	
[Wages Analysis] A: Were accurate records shown at the first request?	✓ Yes
B: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	62 employees / 12 months
C: Are there different legal minimum wage grades?	✓ No
D: If there are different legal minimum grades are all workers graded and paid correctly?	✓ N/A
E: For the lowest paid production workers are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	✓ Above



E1: Lowest Wages found: Note: full time employees and please state hour / week / month etc.	1.242,00 BRL/Month
F: Please indicate the breakdown of workforce per earnings.	100,00 % of workforce earning above min wage 0% of workforce earning under minimum wage 0% of workforce earning minimum wage 100% of workforce earning above minimum wage
G: Bonus Scheme found: Note: type of employee (e.g. full time, temp etc) and please state which units e.g. per hour / week / month etc.	NA
H: What deductions are required by law e.g. social insurance? Please state all types:	Severance Indemnity Fund for Time of Service - Instituto Nacional of Social Security - Social Security Union Contributions - Income Tax - Meal
I: Have these deductions been made?	✓ Yes
I1: Please list all deductions that have been made	Severance Indemnity Fund for Time of Service - Instituto Nacional of Social Security - Social Security Union Contributions - Income Tax - Meal
I2: Please list all deductions that have not been made	NA
J: Were appropriate records available to verify hours of work and wages?	✓ Yes
K: Were any inconsistencies found?	✓ No
L: Do records reflect all time worked?	✓ Yes
L1: Please give details:	In the sample of working hours and payment records, it was not identified that workers are not paid for normal and overtime hours worked.
M: Is there a defined living wage? (This is not normally minimum legal wage. Please see SMETA Best Practice Guidance and Measurement Criteria)	✓ No

M2: What was the calculation method used?	
N: Are there periodic reviews of wages? (include whether there is consideration to basic needs of workers plus discretionary income).	✓ Yes
N1: Please give details:	Changes in salary according to union collective agreement.
O: Are workers paid in a timely manner in line with local law?	✓ Yes
P: Is there evidence that equal rates are being paid for equal work:	✓ Yes
P1: Please give details:	Verified in a sample of payment receipts that salaries for similar functions are practiced by the company.
Q: How are workers paid:	✓ Bank Transfer

**6: Working Hours**  
[\(Click here to return to Summary of Findings\)](#)  
[\(Go back to Key information\)](#)

**ETI**

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where all of the following are met:

- This is allowed by national law;
- This is allowed by a collective agreement freely negotiated with a workers' organisation 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.  
 6.6 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.

**Current Systems and Evidence Examined**

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

**Current systems:**

Documents Review-Workers law consolidation

Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Sample frequency records of 62 employees during the past 12 months. The company has a time banking system. Specific overtime work records. During the interviews, it was verified that overtime work occurs on a voluntary basis and overtime payments are made with an hour bank agreement homologated in the union of the category. Account deposit receipts are monthly, evidenced that employees work 44 hours a week and that they are entitled to at least one weekly break, and verified the records of the working hours and payment demonstration of the employees.

No Comments

**Non Compliances**

**Description of non-compliance:**

NC against ETI code:  NC against Local Law  NC against customer

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:  
 (where relevant please add photo numbers)

**Observation**

Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:
---	------------------------------

Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:

<b>Working hours' analysis</b> Please include time e.g. hour/week/month <a href="#">(Go back to Key information)</a>					
<b>Systems &amp; Processes:</b>					
[Working Hours Analysis] A. What timekeeping systems are used: time card etc.	time card				
B: Is sample size same as in wages section?	✓ Yes				
C: Are standard/contracted working hours defined in all contracts/employment agreements?	✓ Yes				
D: Are there any other types of contracts/employment agreements used?	✓ No	D1: If yes, please complete as appropriate:			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		D2: If "Other" , please define:			
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	✓ No				

F: Are workers provided with at least 1 day off in every 7-day-period or 2 in 14-day-period?	Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days If "No", please explain:	F2: Is this allowed by local law? <input checked="" type="checkbox"/> Yes
	F3: Maximum number of days worked without a day off (in sample): 6 days	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 per week found?	<input checked="" type="checkbox"/> No	
H: Any local waivers/ local law or permissions which allow averaging/ annualised hours for this site?	<input checked="" type="checkbox"/> No	
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month) [Highest OT hours]	Highest OT found: 16 hours/month Lowest OT found: 2 hours/ month	
J: Combined hours (standard or contracted hours + overtime hours = total hours). Is this figure over 60 hours per week?	<input checked="" type="checkbox"/> Yes	
K: Approximate % of total workers on highest overtime hours	25%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes	
L1: Please detail evidence e.g. Wording of contract/employment agreement/handbook/ worker interviews/ refusal arrangements:		

Overtime Premiums	
M: Are the correct legal overtime premiums paid?	✓ Yes
M1: Please give details of normal day overtime premium as a % of standard wages:	
N: Is overtime paid at a premium?	✓ Yes
O: If the site pays less than 125% OT premium and this is allowed under local law are there other considerations? Please complete the boxes where relevant.	
O1: Please explain any checked boxes above e.g. detail of consolidated pay or CBA or other:	No comments
P: If more than 60 total hours per week and this is legally allowed are there other considerations? Please complete the boxes where relevant.	
P1: Please explain any checked boxes above e.g. detail of consolidated pay or CBA or other:	No comments
Q: Is there evidence that overtime hours are being used for extended periods to make up	✓ No

for labour shortages or increased order volumes?	
R: If sufficient workers cannot be hired are new working time arrangements explored to ensure that overtime is the exception rather than the rule.	✓ Yes

**7: Discrimination**  
[\(Click here to return to Summary of Findings\)](#)

**ETI**

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

**Current Systems and Evidence Examined**

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

**Current systems:**  
 Code of Conduct and Interviews with employees.

**Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):**  
 Social responsibility policy. Supplier Handbook. Interviews with employees were performed, and no issues about discrimination or coercive practices of any type were detected. Not identified during interviews with workers situations of discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

No comments

A: Gender breakdown of Management + Supervisors (Include as one combined group)	Male 84% Female 16%
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst	15
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	✓ No evidence of discrimination found

Professional Development	
[Professional Development] A: What type of training and development are available for workers?	Training focused on the following areas: Compliance, Occupational Safety, good manufacturing practices and Environmental.
B: Are HR decisions e.g. promotion, training, compensation, based on objective transparent criteria?	✓ Yes
B1: Please give details:	During interviews with employees. Evidenced admission and promotion policies with job and salary management.

Non Compliances	
<p><b>1. Description of non-compliance:</b></p> <p><input type="checkbox"/> NC against ETI code: <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer</p> <p>During analysis of documents, it was evidenced that the quota of employees with Special Needs was not met. Currently the Grendene Group has 17,144 employees and its quota is 5%, with 812 employees, and currently the company has 766 employees with special needs. Não Conformidade, Durante análise de documentos, evidenciado não atendimento a cota de empregados Portadores de Necessidades Especiais, atualmente o grupo Grendene possui 17.144 funcionários</p>	<p>Objective evidence observed: (where relevant please add photo numbers) Analysis of documents Análise de documentos</p>



tendo sua cota de 5% sendo 812 funcionários, atualmente empresa possui 766 funcionários portadores de necessidades especiais.

**Local law and/or ETI requirement:**

Legal basis: According to article 93 of Law 8.213/1991, a company with 100 (one hundred) or more employees must fill 2% to 5% of its positions with rehabilitated beneficiaries or qualified disabled people, in the following proportion: I - up to 200 employees 2%; II - from 201 to 500 employees 3%; III - from 501 to 1,000 employees 4%; IV - from 1,001 onwards 5%; Base legal: De acordo com o o artigo 93 da Lei 8.213/1991, a empresa com 100 (cem) ou mais empregados deverá preencher de 2% a 5% por cento dos seus cargos, com beneficiários reabilitados ou pessoas portadoras de deficiência habilitadas, na seguinte proporção: I – até 200 empregados 2%; II – de 201 a 500 empregados 3%; III – de 501 a 1.000 empregados 4%; IV – de 1.001 em diante 5%;

**Recommended corrective action:**

Carry out the hiring of the minimum quota of employees with special needs. Realizar a contratação da cota mínima de empregados portadores de necessidades especiais.

Observation	
Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:

Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:

8: Regular Employment <a href="#">(Click here to return to Summary of Findings)</a> <a href="#">(Go back to Key information)</a>
ETI 8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice. 8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship

schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

Additional Elements: Responsible Recruitment

8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.

8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour. The supplier shall implement processes to enable adequate control over agencies with regards to the above points and related legislation.

8.5 Employment agencies must only supply workers registered with them.

8.6 Workers pay no recruitment fee at any stage of the recruitment process.

8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.

### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Consolidation of Labour Laws and Collective Bargaining Agreement.

Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Demonstrated by sampling work contracts referents to 62 employees, which clearly demonstrate the rules established and agreed between Employee, Company and Union. Contracts in accordance with Brazilian legislation. The company has no foreigners in its current staff.

No Comments

### Non Compliances

Description of non-compliance:

NC against ETI code:  NC against Local Law  NC against customer

Objective evidence observed:

Local law and/or ETI requirement:	(where relevant please add photo numbers)
Recommended corrective action:	

Observation	
Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:

Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:

### Responsible Recruitment

All Workers	
[Responsible Recruitment - All Workers ] A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they the same as current conditions?	<ul style="list-style-type: none"> <li>✓ Terms &amp; Conditions presented</li> <li>✓ Understood by workers</li> <li>✓ Same as actual conditions</li> </ul>
A1: If any are unchecked please describe finding and specific category(ies) of workers affected:	No comments
B: Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/ placement?	✓ No
C: Please check all that apply to B	
C: If any checked, C1: If other, please give details:	NA

### Migrant Workers:

<p>“The term "migrant worker" refers to a person who is engaged or has been engaged in a remunerated activity in a country of which they are not a national or permanent resident or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity.”</p>			
[Migrant Workers ] A: Type of work undertaken by migrant workers:	The company has no foreigners in its current staff.		
B: Please give details about recruitment agencies for migrant workers:	NA		
	B1: Migrant worker recruitment: Total number of (in country recruitment agencies) used 0		
	B2: Migrant worker recruitment: Total number of (outside of local country) recruitment agencies used 0		
C: Are migrant workers' voluntary deductions (such as for remittances) confirmed in writing by the worker and is evidence of the transaction supplied by the facility to the worker?	<table border="1" style="width: 100%;"> <tr> <td style="width: 50%;">C1: Please describe finding: NA</td> <td style="width: 50%;">C2: Observations:</td> </tr> </table>	C1: Please describe finding: NA	C2: Observations:
C1: Please describe finding: NA	C2: Observations:		
D: Are Any migrant workers in skilled technical or management roles (this should include all migrant workers including permanent workers temporary and/or seasonal workers) Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)			

**NON-EMPLOYEE WORKERS**

Recruitment Fees:	
[Non-Employee Workers ] A: Are there any fees?	
B: Check all that apply:	
B1: If other, please give details:	NA

**Agency Workers (if applicable)**

(Workers sourced from a local agent who are not directly paid by the site, but paid by the agency, Usually the agencies are paid by the site and the wages of the individual workers are paid by the agency.)	
[Agency Workers ] A: Number of agencies used (average):	0
A1: Names if Available	NA
B: Were agency workers age/pay/hours included within the scope of this audit?	
C: Were sufficient documents for agency workers available for review?	
D: Is there a legal contract / agreement with all agencies?	
D1: Please give details:	
E: Does the site have a system for checking labour standards of agencies?	
E1: Please give details:	

<b>Contractors</b> Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,	
[Contractors] A: Any contractors on site?	✓ Yes
B: If Yes how many workers supplied by contractors	27
C: Do all contractor workers understand their terms of employment?	
D: If Yes please give evidence for contractor workers being paid per law:	Confirmed during documents check contract labour, payment receipts and CBA.

**8A: Sub-Contracting and Homeworking**  
[\(Click here to return to Summary of Findings\)](#)  
[\(Go back to Key information\)](#)

8A.1 There should be no sub-contracting unless previously agreed with the main client.  
 8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Company not have Sub-contractors or Homeworkers on site.

Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Production processes, invoices, interviews with employees.

If any processes are sub-contracted - please populate below boxes

Process Subcontracted	Process 1	Process 2
Name of factory		
Address		

Process Subcontracted	Process 3	Process 4
Name of factory		
Address		

Process Subcontracted	Process 5	Process 6
Name of factory		
Address		

Non Compliances	
Description of non-compliance: <input type="checkbox"/> NC against ETI code: <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer  Local law and/or ETI requirement:  Recommended corrective action:	Objective evidence observed: (where relevant please add photo numbers)

Observation	
Description of observation:  Local law or ETI requirement:  Comments:	Objective evidence observed:

Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:

Summary of sub-contracting - if applicable <input checked="" type="checkbox"/> Not Applicable	
A: Has the auditor made a simple calculation to compare capacity with workers' work load in order to identify possible unrecorded work or undeclared sub-contracting	
A1: Please give details:	
B: If sub-contractors are used is there evidence this has been agreed with the main client?	
C: Number of sub-contractors/agents used	
D: Is there a site policy on sub-contracting?	
E: What checks are in place to ensure no child labour is being used and work is safe?	

Summary of homeworking - if applicable <input checked="" type="checkbox"/> Not Applicable			
A: If homeworking is being used is there evidence this has been agreed with the main client?			
B. Number of homeworkers	Male:	Female:	Total: 0
C: Are homeworkers employed direct or through agents?			
C1: If yes, number of Agents			
D: Is there a site policy on homeworking?			
E: How does the site ensure worker hours and pay meet local laws for homeworkers?			
F: What processes are carried out by homeworkers?			
G: Do any contracts exist for homeworkers?			
H: Are full records of homeworkers available at the site?			

9: Harsh or Inhumane Treatment <a href="#">(Click here to return to Summary of Findings)</a>
ETI
9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Additional Elements: 9.2 companies should provide access to a confidential grievance mechanism for all workers

[Harsh or Inhumane Treatment Table] A: Are there published anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	✓ Yes
---	-------



B: If Yes, are workers aware of these channels and have access?	✓ Yes
C: If yes what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details	Reporting Channel Grendene Site: <a href="https://www.linhaetica.com.br/etica/grendene">https://www.linhaetica.com.br/etica/grendene</a> You can also contact us by phone: 0800 208 0048 or by letter Caixa postal 79518 CEP 04711-904 São Paulo / SP. The complaints management process is carried out by an independent company. Evidenced Management Policy for Complaints and Consequences document signed by the president of the company Mr. Alexandre Grendene Bartelle dated February 24, 2022. Evidenced Minutes of creation of the company's ethics committee, the ethics committee is coordinated by Mr. Ralph Fonseca Muniz de Melo, Specialist in Management and Ethics, and as secretary of the committee, Ms. Taisa Sandoli Rossetto Sanitary and Environmental Engineering.
D: Which of the following groups is there a grievance mechanism in place for?	<ul style="list-style-type: none"> <li>✓ Workers</li> <li>✓ Communities</li> <li>✓ Suppliers</li> </ul>
E: Are there any open disputes?	✓ No
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. help lines or whistle blowing mechanism)	✓ Yes
G: Is there a published and transparent disciplinary procedure?	✓ Yes
H: If yes are workers aware of these the disciplinary procedure?	✓ Yes
I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	✓ No

### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies

are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Documents review, management and employees' interview.

Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation are prohibited. Reporting Channel Grendene Site: <https://www.linhaetica.com.br/etica/grendene> You can also contact us by phone: 0800 208 0048 or by letter Caixa postal 79518 CEP 04711-904 São Paulo / SP. The complaints management process is carried out by an independent company. Evidenced Management Policy for Complaints and Consequences document signed by the president of the company Mr. Alexandre Grendene Bartelle dated February 24, 2022. Evidenced Minutes of creation of the company's ethics committee, the ethics committee is coordinated by Mr. Ralph Fonseca Muniz de Melo, Specialist in Management and Ethics, and as secretary of the committee, Ms. Taisa Sandoli Rossetto Sanitary and Environmental Engineering.

No Comments

### Non Compliances

Description of non-compliance:

NC against ETI code:  NC against Local Law  NC against customer

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:  
(where relevant please add photo numbers)

### Observation

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:

<p>10A: Entitlement to Work and Immigration  <a href="#">(Click here to return to Summary of Findings)</a></p>
<p>Additional Elements:</p> <p>10A.1 Only workers with a legal right to work shall be employed or used by the supplier.          10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p>

<p>Current Systems and Evidence Examined</p> <p>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</p>
<p>Current systems:</p> <p>Company does not use immigrants in their activities</p> <p>Evidence examined - to support system description (Documents examined &amp; relevant comments. Include renewal/expiry date where appropriate):</p> <p>There is no evidence of immigrant worker in their activities as verified during the tour and interviews with employees and Human resources management.</p> <p>No Comments</p>

Non Compliances	
<p>Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI code: <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer</p> <p>Local law and/or ETI requirement:</p>	<p>Objective evidence observed:          (where relevant please add photo numbers)</p>

Recommended corrective action:

Observation	
Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:

Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:

10B2: Environment 2-Pillar  
[\(Click here to return to Summary of Findings\)](#)

10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits.  
 10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements.  
 Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.

**Current Systems and Evidence Examined**

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Non Compliances	
Description of non-compliance: <input type="checkbox"/> NC against ETI code: <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer  Local law and/or ETI requirement:  Recommended corrective action:	Objective evidence observed: (where relevant please add photo numbers)

Observation	
Description of observation:  Local law or ETI requirement:  Comments:	Objective evidence observed:

Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:

10B4: Environment 4-Pillar  
 To be completed for a 4-Pillar SMETA Audit and remove the previous page which is 10B2 environment 2 pillar  
[\(Click here to return to Summary of Findings\)](#)

**B.4. Compliance Requirements**

10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.

10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.

10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements

10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.

10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.

10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).

10B4.7 Businesses shall make continuous improvements in their environmental performance.

- 10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation
- 10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.
- B4. Guidance for Observations
- 10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.
- 10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

Note for auditors and readers. This environment section is intended to take not more than 0.25 auditor days. It is an assessment only and the main requirement is to establish whether a site is meeting applicable environmental laws and/or has any certifications or environmental management systems in place. Following this assessment the client/supplier may decide a full environmental audit is required (see also best practice guidance/environment and guidance for auditor)

### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

#### Current systems:

Documents check, employees and management interviews and facility tour.

Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Environmental policy, biodiversity policy, training for emergencies with chemical products. Operation License n°AF00053898/2022 issue date 12/07/2022 expiration date 23/07/2023. FSC Registered Trademark License Certificate for Promotional Use FSC®N003114 valid until 03/24/2023. CERTIFICATE OF OPERATING LICENSE - CLF No.: 2020-00559923 Expiry date: 08/25/2023. IBAMA FEDERAL TECHNICAL REGISTRATION No. 339782 with Certificate of Good Standing valid until: 08/02/2022. Certificate of acquisition of chemicals controlled by the Brazilian Army n°562868 valid until 08/04/2023. Environmental Operation License n° LO\_PD024/2022 Issue date 03/14/2022 Expiration date 03/14/2027. CERTIFICATE OF FINAL DESTINATION CDF n° 918917/2022 Period: 04/01/2022 to 06/01/2022 Sustainability report published annually. CERTIFICATE OF FINAL DESTINATION CDF n° 992668/2022 Period: 20/06/2022 until 30/06/2022 CERTIFICATE OF FINAL DESTINATION CDF n° 1027095/2022 Period: 07/05/2022 until 07/11/2022

--

Non Compliances	
<p>Description of non-compliance:  <input type="checkbox"/> NC against ETI code: <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer</p> <p>Local law and/or ETI requirement:</p> <p>Recommended corrective action:</p>	<p>Objective evidence observed:                      (where relevant please add photo numbers)</p>

Observation	
<p>Description of observation:                      Company did not present SAQ before the audit process Empresa não apresentou SAQ antes do processo de auditoria</p> <p>Local law or ETI requirement:                      ETI requirement</p> <p>Comments:                      No Comments</p>	<p>Objective evidence observed:                      Absence of documents Ausência de documentos</p>

Good Examples observed:	
<p>Description of Good Example (GE):                      Facility reuse water from treatment station in toilets and to water the garden. The draft is used to fertilize the soil.</p>	<p>Objective evidence observed:                      Document analysis and site visit</p>

Environmental Analysis (Site declaration only - this has not been verified by auditor. Please state units in all cases below.)	
<p>[Environmental Analysis] A: Is there a manager responsible for Environmental issues (Name and Position):</p>	
<p>B: Has the site conducted a risk assessment on the environmental impact of the site including implementation of controls to reduce identified risks?</p>	<p>✓ Yes</p>



C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	✓ No
D: Does the site have an Environmental policy? (For guidance please see Measurement criteria)	✓ Yes
E: If yes does it address the key impacts from their operations and their commitment to improvement?	✓ Yes
F: Does the site have a Biodiversity policy? (For guidance please see Measurement criteria)	✓ Yes
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? (For guidance please see Measurement criteria)	✓ No
G1: Please give details:	FSC®N003114 Date of issue and country: 25.03.2022, Brazil. Expires: 24.03.2023
H: Have all legally required permits been shown?	✓ Yes
H1: Please give details:	Operation License nºAF00053898/2022 issue date 12/07/2022 expiration date 23/07/2023. FSC Registered Trademark License Certificate for Promotional Use FSC®N003114 valid until 03/24/2023. CERTIFICATE OF OPERATING LICENSE - CLF No.: 2020-00559923 Expiry date: 08/25/2023. IBAMA FEDERAL TECHNICAL REGISTRATION No. 339782 with Certificate of Good Standing valid until: 08/02/2022. Certificate of acquisition of chemicals controlled by the Brazilian Army nº562868 valid until 08/04/2023. Environmental Operation License nº LO_PD024/2022 Issue date 03/14/2022 Expiration date 03/14/2027. CERTIFICATE OF FINAL DESTINATION CDF nº 918917/2022 Period: 04/01/2022 to 06/01/2022 Sustainability report published annually. CERTIFICATE OF FINAL DESTINATION CDF nº 992668/2022 Period: 20/06/2022 until 30/06/2022 CERTIFICATE OF FINAL



	DESTINATION CDF n° 1027095/2022 Period: 07/05/2022 until 07/11/2022
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	✓ Yes
I1: Please give details:	CERTIFICATE OF OPERATING LICENSE - CLF No.: 2020-00559923 Expiry date: 08/25/2023. Certificate of acquisition of chemicals controlled by the Brazilian Army n°562868 valid until 08/04/2023.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	✓ Yes
J1: Please give details:	There is a system in place to manage environmental and chemical legislation.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions	✓ Yes
K1: Please give details:	Facility has environmental targets related to waste, energy and water linked to production and hours of work.
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	✓ Yes
L1: Please give details:	Facility has documents related to waste management to demonstrate reuse of waste, recycling and correct disposal.
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	✓ Yes
M1: Please give details:	Facility measure and monitor consumption of water and energy.
N: Has the facility checked that any Sub-Contracting agencies or business	✓ Yes

partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?		
N1: Please give details:	Sub-contracting at facility is kitchen for food preparation and their related permits are in place.	
Usage/Discharge analysis		
Criteria	Current year: Please state period 09-08-2022	Previous Year: Please state period 01-01-2021
Electricity Usage <i>Kw/hrs</i>		
Renewable Energy Usage: <i>Kw/hrs</i>	0	0
Gas Usage <i>Kw/hrs</i>	0	0
Has site completed any carbon Footprint Analysis	✓ No	✓ No
If Yes, please state result		
Water Sources Please list all sources e.g. lake, river, and local water authority.	Public network and well	Public network and well
Water Volume Used <i>m3</i>	6509	13811
Water Discharged Please list all receiving waters/recipients.	13199	26825
Water Volume Discharged: <i>m3</i>	13199	26825
Water Volume Recycled: <i>m3</i>	13197	26820
Total waste Produced (please state units)	316899,783 Tons	589816,175 tons

Total hazardous waste Produced (please state units)	41781,345 Tons	98351,230 Tons
Waste to Recycling (please state units)	246115,800 Tons	339859,700 Tons
Waste to Landfill (please state units)	70784,000 Tons	249956,500 Tons
Waste to other: (please give details and state units)		
Total Product Produced (please state units)	115,01 kg/par	90,40 kg/ par

**10C: Business Ethics**  
To be completed for a 4-Pillar SMETA Audit  
[\(Click here to return to Summary of Findings\)](#)

10C. Compliance Requirements  
 10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.  
 10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.  
 10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.  
 10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.  
 10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,  
 10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics  
 10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.  
 10C. Guidance for Observations  
 10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.  
 10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented  
 Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

### Current Systems and Evidence Examined

To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.

Current systems:

Documents review, management and employees' interview.

Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):

Facility delivery the Code of Conduct in onboarding program for new employees' and annually provide refresh training. Facility has a whistle blowing mechanism implemented and available at website. Evidenced Code of Conduct training for managers and supervisors

### Non Compliances

Description of non-compliance:

NC against ETI code:  NC against Local Law  NC against customer

Local law and/or ETI requirement:

Recommended corrective action:

Objective evidence observed:  
(where relevant please add photo numbers)

### Observation

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

### Good Examples observed:

Description of Good Example (GE):

Objective evidence observed:

<p>[Business Ethics Table] A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally externally or both as appropriate?</p>	<p>✓ Internal Policy                  ✓ Policy for third parties including suppliers</p>
<p>A1: Please give details:</p>	<p>The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021, the document is approved by the administrative committee and is headed by Mr. Ralph Fonseca Muniz de Melo, Specialist in Risk Management and Ethics Reporting Channel Grendene Site: <a href="https://www.linhaetica.com.br/etica/grendene">https://www.linhaetica.com.br/etica/grendene</a> You can also contact us by phone: 0800 208 0048 or by letter Caixa postal 79518 CEP 04711-904 São Paulo / SP. The complaints management process is carried out by an independent company. Evidenced Management Policy for Complaints and Consequences document signed by the president of the company Mr. Alexandre Grendene Bartelle dated February 24, 2022. Evidenced Minutes of creation of the company's ethics committee, the ethics committee is coordinated by Mr. Ralph Fonseca Muniz de Melo, Specialist in Management and Ethics, and as secretary of the committee, Ms. Taisa Sandoli Rossetto Sanitary and Environmental Engineering.</p>
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues? Please give details:</p>	<p>Training on the code of conduct held for all employees in the integration process and renewed annually by means of handouts and information on bulletin boards and TV panels.</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p>✓ Yes</p>
<p>C1: Please give details:</p>	
<p>D: Does the site require third parties including suppliers to complete their own business ethics training?</p>	<p>✓ Yes</p>
<p>D1: Please give details:</p>	



Other Findings Outside the Scope of the Code

--

Community Benefits

(Please list below any specific community benefits that the site management stated that they were involved in, for example, HIV programme, education, sports facilities)

--

## Appendix 1

<p>Comparison between ETI code and Customer's Supplier's Code. Any areas where a site complies with the Customer's Supplier Code, but not with the ETI code are discussed at the audit close out meeting and recorded on the CAPR. Note to supplier "for this customer it may not be necessary to complete corrective actions where NC's DO NOT meet the ETI code, but DO meet your customer's code. If the audit is shared with other customers who work to the ETI code or an equivalent international standard, corrective actions will be necessary.</p>	
<p>NOTE: The provisions of the ETI base Code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying the ETI Base Code are expected to comply with national and other applicable law and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection.</p>	<p>Instruction to Audit Company: fill in the relevant clauses from the Customer Supplier Code - where applicable.</p>
<p>ETI Code / Additional Elements</p>	<p>Customer's Supplier Code equivalent</p>
<p>Customer's Supplier Code equivalent: 0.A. Universal rights covering UNGP</p>	<p>Customer's Supplier Code equivalent: 0.A. Universal rights covering UNGP</p>
<p>0.A. Guidance for Observations            0.A.1 Businesses should have a policy, endorsed at the highest level, covering human rights impacts and issues, and ensure it is communicated to all appropriate parties, including its own suppliers.            0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights            0.A.3 Businesses shall identify their stakeholders and salient issues.            0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.            0.A.5 Where businesses have an adverse impact on human rights within any of their stakeholders, they shall address these issues and enable effective remediation.</p>	



<p>0.A.6 Businesses shall have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter.</p>	
<p>Customer's Supplier Code equivalent: 0.B. Management Systems &amp; Code Implementation</p>	<p>Customer's Supplier Code equivalent: 0.B. Management Systems &amp; Code Implementation</p>
<p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code. 0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code. 0.3 Suppliers are expected to communicate this Code to all employees. 0.4 Suppliers should communicate this code to their own suppliers and, where reasonably practicable, extend the principles of this Ethical Code through their supply chain.</p>	
<p>Customer's Supplier Code equivalent: ETI 1. Forced Labour</p>	<p>Customer's Supplier Code equivalent: ETI 1. Forced Labour</p>
<p>1.1 There is no forced, bonded or involuntary prison labour. 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.</p>	
<p>Customer's Supplier Code equivalent: ETI 2. Freedom of association and the right to collective bargaining are respected</p>	<p>Customer's Supplier Code equivalent: ETI 2. Freedom of association and the right to collective bargaining are respected</p>
<p>2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities. 2.3 Workers' representatives are not discriminated against and have access to</p>	

<p>carry out their representative functions in the workplace.</p> <p>2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p>	
<p>Customer's Supplier Code equivalent: ETI 3. Working conditions are safe and hygienic</p>	<p>Customer's Supplier Code equivalent: ETI 3. Working conditions are safe and hygienic</p>
<p>3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2 Workers shall receive regular and recorded Health &amp; Safety training, and such training shall be repeated for new or reassigned workers.</p> <p>3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</p> <p>3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.</p> <p>3.5 The company observing the code shall assign responsibility for Health &amp; Safety to a senior management representative.</p>	
<p>Customer's Supplier Code equivalent: ETI 4. Child labour shall not be used</p>	<p>Customer's Supplier Code equivalent: ETI 4. Child labour shall not be used</p>
<p>4.1 There shall be no new recruitment of child labour.</p> <p>4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable</p>	

<p>her or him to attend and remain in quality education until no longer a child.</p> <p>4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.</p> <p>4.4 These policies and procedures shall conform to the provisions of the relevant ILO Standards.</p>	
<p>Customer's Supplier Code equivalent: ETI 5. Living wages are paid</p>	<p>Customer's Supplier Code equivalent: ETI 5. Living wages are paid</p>
<p>5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.</p> <p>5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.</p> <p>5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.</p>	
<p>Customer's Supplier Code equivalent: ETI 6. Working Hours are not excessive</p>	<p>Customer's Supplier Code equivalent: ETI 6. Working Hours are not excessive</p>
<p>6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.</p>	

<p>6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.</p> <p>6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.</p> <p>6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 6.5 below.</p> <p>6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where all of the following are met:</p> <ul style="list-style-type: none"> <li>- This is allowed by national law;</li> <li>- This is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;</li> <li>- Appropriate safeguards are taken to protect the workers' health and safety; and</li> <li>- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.</li> </ul> <p>6.6 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.</p>	
<p>Customer's Supplier Code equivalent: ETI 7. No discrimination is practised</p>	<p>Customer's Supplier Code equivalent: ETI 7. No discrimination is practised</p>
<p>7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.</p>	

<p>Customer's Supplier Code equivalent: ETI 8. Regular employment is provided</p>	<p>Customer's Supplier Code equivalent: ETI 8. Regular employment is provided</p>
<p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p> <p>Additional Elements: Responsible Recruitment</p> <p>8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.</p> <p>8.4 There are effective management systems in place to identify and monitor the hiring and management of all migrant workers, contract workers, agency workers, temporary or casual labour The supplier shall implement processes to enable adequate control over agencies with regards the above points and related legislation.</p> <p>8.5 Employment agencies must only supply workers registered with them.</p> <p>8.6 Workers pay no recruitment fee at any stage of the recruitment process.</p> <p>8.7 Worker contracts accurately reflect the agreed payment and terms in the recruitment process and are understood and signed by workers.</p>	
<p>Customer's Supplier Code equivalent: 8A: Sub-Contracting and Homeworking</p>	<p>Customer's Supplier Code equivalent: 8A: Sub-Contracting and Homeworking</p>

<p>8A.1 There should be no sub-contracting unless previously agreed with the main client. 8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.</p>	
<p>Customer's Supplier Code equivalent: ETI 9. No harsh or inhumane treatment is allowed</p>	<p>Customer's Supplier Code equivalent: ETI 9. No harsh or inhumane treatment is allowed</p>
<p>9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. Additional elements: 9.2 companies should provide access to a confidential grievance mechanism for all workers</p>	
<p>Customer's Supplier Code equivalent: 10. Other Issue areas: 10A: Entitlement to Work and Immigration</p>	<p>Customer's Supplier Code equivalent: 10. Other Issue areas: 10A: Entitlement to Work and Immigration</p>
<p>Additional Elements 10A.1 Only workers with a legal right to work shall be employed or used by the supplier. 10A.2 All workers, including employment agency staff, must be validated by the supplier for their legal right to work by reviewing original documentation.</p>	
<p>Customer's Supplier Code equivalent: 10. Other issue areas 10B2: Environment 2-Pillar</p>	<p>Customer's Supplier Code equivalent: 10. Other issue areas 10B2: Environment 2-Pillar</p>
<p>10B2.1 Suppliers must comply with the requirements of local and international laws and regulations including having necessary permits. 10B2.2 The supplier should be aware of and comply with their end clients' environmental requirements. Note for auditors and readers, This is not a full environmental assessment but a check on basic systems and management approach.</p>	

SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
Environment Section	Environment Section
<p>B.4. Compliance Requirements</p> <p>10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.</p> <p>10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.</p> <p>10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements</p> <p>10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.</p> <p>10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.</p> <p>10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).</p> <p>10B4.7 Businesses shall make continuous improvements in their environmental performance.</p> <p>10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation</p> <p>10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.</p> <p>B4. Guidance for Observations</p>	



<p>10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.</p> <p>10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.</p>	
<p>Business Practices Section</p>	<p>Business Practices Section</p>
<p>10C. Compliance Requirements</p> <p>10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.</p> <p>10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.</p> <p>10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.</p> <p>10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.</p> <p>10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,</p> <p>10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics</p> <p>10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.</p> <p>10C. Guidance for Observations</p> <p>10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.</p>	






<p>10C.9 Has the site recently been subject to (or pending) any fines/prosecutions for non-compliance to Business Ethics regulations. If so is there evidence that sustainable corrective actions have been implemented.</p>	
--	--







**Photo Form:**

		
<p>motorized vane</p>	<p>production</p>	<p>Information Panel</p>
		
<p>Toilet</p>	<p>ergonomic chairs</p>	<p>Signaling</p>

		
<p>Liquefied petroleum gas</p>	<p>Chemical products</p>	<p>watercooler</p>

		
<p>Chemical Products 02</p>	<p>Collective Lockers</p>	<p>Facade</p>

		
---	---	---

escape route map	extinguisher	stock
		
Production 02	hydrant	Canteen
		
emergency kit	cutting machine	water treatment



For more information visit: [sedexglobal.com](https://sedexglobal.com)

Your feedback on your experience of the SMETA audit you have observed is extremely valuable. It will help to make improvements to future versions.

You can leave feedback by following the appropriate link to our questionnaire:

[Click here for Buyer \(A\) & Buyer/Supplier \(A/B\) members:](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d_)  
[http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw\\_3d\\_3d\\_](http://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d_)

[Click here for Supplier \(B\) members:](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d_)  
[http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY\\_2brg\\_3d\\_3d\\_](http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d_)

[Click here for Auditors:](https://www.surveymonkey.co.uk/r/BRTVCKP_)  
[https://www.surveymonkey.co.uk/r/BRTVCKP\\_](https://www.surveymonkey.co.uk/r/BRTVCKP_)





***Grendene***<sup>®</sup>