



SEDEX SMETA
AUDIT REPORT
2020-2021

Grendene[®]



AUDIT REPORT
SEDEX SMETA
GRENDENE
CRATO UNIT



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 410972263	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 411841951
Business name (Company name):	Grendene S.A.		
Site name:	Grendene S.A. - Crato/CE		
Site address: <i>(Please include full address)</i>	Avenida Rio Grande do Sul, 136 - Franca Alencar - CEP 63.114-000 - Ceara/SP	Country:	Brazil
Site contact and job title:	Allan Bruno Cruz / Sustainable Development Analyst		
Site phone:	+55 88 3312 4999	Site e-mail:	allan.souza@grendene.com.br
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	20 to 22/10/2020		

Audit Company Name & Logo: 	Report Owner (payer): Grendene S.A. <i>(If paid for by the customer of the site please remove for Sedex upload)</i>
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

(2) The audit scope was against the following reference documents

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - Universal rights covering UNGP
 - Management systems and code implementation,
 - Responsible Recruitment
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,

4-Pillar SMETA

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics
- The Customer's Supplier Code (Appendix 1)

(3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.

(4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

Any exceptions to this must be recorded here (e.g. different sample size): None

Lead auditor: André Almeida – CSR AUDITOR | APSCA number: RA 21700865

Lead auditor APSCA status: In good standing

Team auditor: Mario Correa – CSR AUDITOR | APSCA number: ASCA 21704058

Interviewers: Mario Correa – CSR AUDITOR | APSCA number: ASCA 21704058

Report writer: André Almeida – CSR AUDITOR | APSCA number: RA 21700865

Report reviewer: Haica Mussio – Report Reviewer

Date of declaration: 22/10/2020

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP			<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> None
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			6	<p>Good Example</p> <ul style="list-style-type: none"> The Occupational Health and Safety Management is based on a consolidated OHS Policy, which includes a set of structural and behavioral actions, which offers Grendene employees and partners, safe and healthy environments where respectful relations between people are fostered. The "Yes to Safe Behavior Program", which under the phrase "I take care of you and you take care of me" which aims to spread the safety culture to all employees, in the company and in their lives. This program consists of 5 pillars with integrated actions that make up the Safe Behavior Index. They are: Safe Chat (daily chat about behaviors that result in the prevention of accidents and diseases, Walk with the Manager (periodic visits with the main manager of

										<p>each area, focusing on the identification of prevention opportunities), Safety Inspections (application health and safety check-list in the work sectors) and the Resolution Index (compliance with health and safety improvement schedules and action plans). The safe behavior index is part of the company's management performance indicators.</p> <ul style="list-style-type: none"> • The company maintains "Universidade Grendene" (Grendene University), whose program aims at the technical and human development of managers and employees in general of the company. The programs have some knowledge pillars regarding Business knowledge, Industrial, Leadership and Management, development of new leadership, Emergency solutions and other themes. • FSC - Forest Stewardship Council - certificate number FSCN003114 - validity: March 24, 2021. • The Vegan Society Certification - certificate number 025533 - validity: February 19, 2021. • Certificate for Awarding and Use of the 'OK BIOBASED' Conformity Mark TA8071903518 - validity: July 04, 2024.
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									<ul style="list-style-type: none"> Facility provides additional benefits, such as: Food Assistance; Easter Chocolate Assistance; Christmas Gifts; Medical and Dental Assistance (on-site).
1.	<u>Freely chosen Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none"> None
2	<u>Freedom of Association</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none"> None
3	<u>Safety and Hygienic Conditions</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none"> None
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none"> None
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none"> None
6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>				<ul style="list-style-type: none"> None
7	<u>Discrimination</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	1			<p>Non compliance</p> <ul style="list-style-type: none"> Auditors noted during documents review that facility has 860 out 908 employees with disability (PCDs) required by law (corporative quote).
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> None
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> None

9	Harsh or Inhumane Treatment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2			<p>Non-compliance</p> <ul style="list-style-type: none"> Auditors noted during documents review, facility tour and interviews, absence of a confidential / anonymous grievance channel. Auditors noted during documents review and interviews absence of a grievance committee to treat the grievance received.
10A	Entitlement to Work		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> None
10B2	Environment 2-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> None
10B4	Environment 4-Pillar		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				<ul style="list-style-type: none"> None
10C	Business Ethics		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2			<p>Non-compliance</p> <ul style="list-style-type: none"> Auditors noted during documents review, facility tour and interviews, absence of a confidential / anonymous channel in place for reporting and dealing with bribery, corruption and unethical Business Practices. Auditor noted during documents review absence of a procedure to address the report received.

General observations and summary of the site:

Grendene S.A. - Crato/CE is located at this site in Crato city, State of Ceará, since 2003. It has about 2990.00 m² of constructed area and 287792,28 of total area. Facility has 07 (seven) buildings: 1/Production; 2/Administrative; 3/Warehouse; 4/Flammable Storage; 5/Utilities; 6/Canteen; 7/Dress Room.

Non compliances raised:

NC 1. Auditors noted during documents review that facility has 860 out 908 employees with disability (PCDs) required by law (corporative quote).

NC 2. Auditors noted during documents review, facility tour and interviews, absence of a confidential / anonymous grievance channel.

NC 3. Auditors noted during documents review and interviews absence of a grievance committee to treat the grievance received.

NC 4. Auditors noted during documents review, facility tour and interviews, absence of a confidential / anonymous channel in place for reporting and dealing with bribery, corruption and unethical Business Practices.

NC 5. Auditor noted during documents review absence of a procedure to address the report received.

Good examples:

GE 1. The Occupational Health and Safety Management is based on a consolidated OHS Policy, which includes a set of structural and behavioral actions, which offers Grendene employees and partners, safe and healthy environments where respectful relations between people are fostered. The "Yes to Safe Behavior Program", which under the phrase "I take care of you and you take care of me" which aims to spread the safety culture to all employees, in the company and in their lives. This program consists of 5 pillars with integrated actions that make up the Safe Behavior Index. They are: Safe Chat (daily chat about behaviors that result in the prevention of accidents and diseases, Walk with the Manager (periodic visits with the main manager of each area, focusing on the identification of prevention opportunities), Safety Inspections (application health and safety check-list in the work sectors) and the Resolution Index (compliance with health and safety improvement schedules and action plans). The safe behavior index is part of the company's management performance indicators.

GE 2. The company maintains "Universidade Grendene" (Grendene University), whose program aims at the technical and human development of managers and employees in general of the company. The programs have some knowledge pillars regarding Business knowledge, Industrial, Leadership and Management, development of new leadership, Emergency solutions and other themes.

GE 3. FSC - Forest Stewardship Council - certificate number FSCN003114 - validity: March 24, 2021.

GE 4. The Vegan Society Certification - certificate number 025533 - validity: February 19, 2021.

GE 5. Certificate for Awarding and Use of the 'OK BIOBASED' Conformity Mark TA8071903518 - validity: July 04, 2024.

GE 6. Facility provides additional benefits, such as: Food Assistance; Easter Chocolate Assistance; Christmas Gifts; Medical and Dental Assistance (on-site).

**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 S.A.																												
B: Site name:	Grendene S.A. - Crato/CE																												
C: GPS location: (If available)	GPS Address: Not informed	Latitude: -7,235466 Longitude: -39,430518																											
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	CNPJ: 89.850.341/0016-46																												
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacturing of Footwear																												
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>The facility is located on Ceará – Brazil since 06/03/2003 in a total area of 287,792.28 square meters and with built area as 2990.00 square meters. All structures are made in concrete.</p> <table border="1"> <thead> <tr> <th>Production Building no</th> <th>Description</th> <th>Remark, if any</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Production</td> <td>N/A</td> </tr> <tr> <td>2</td> <td>Administrative</td> <td>N/A</td> </tr> <tr> <td>3</td> <td>Warehouse</td> <td>N/A</td> </tr> <tr> <td>4</td> <td>Flammable Storage</td> <td>N/A</td> </tr> <tr> <td>5</td> <td>Utilities</td> <td>N/A</td> </tr> <tr> <td>6</td> <td>Canteen</td> <td>N/A</td> </tr> <tr> <td>7</td> <td>Dress Room</td> <td>N/A</td> </tr> <tr> <td>Is this a shared building?</td> <td>No</td> <td>N/A</td> </tr> </tbody> </table> <p>For below, please add any extra rows if appropriate.</p> <p>F1: Visible structural integrity issues (large cracks) observed? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>		Production Building no	Description	Remark, if any	1	Production	N/A	2	Administrative	N/A	3	Warehouse	N/A	4	Flammable Storage	N/A	5	Utilities	N/A	6	Canteen	N/A	7	Dress Room	N/A	Is this a shared building?	No	N/A
Production Building no	Description	Remark, if any																											
1	Production	N/A																											
2	Administrative	N/A																											
3	Warehouse	N/A																											
4	Flammable Storage	N/A																											
5	Utilities	N/A																											
6	Canteen	N/A																											
7	Dress Room	N/A																											
Is this a shared building?	No	N/A																											

	<p>F2: Please give details: No integrity issues</p> <p>F3: Does the site have a structural engineer evaluation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>F4: Please give details: Local License number 97 - validity: December 31, 2020. Fire Department License number 246319 - validity: March 17, 2023.</p>
G: Site function:	<input type="checkbox"/> Agent <input type="checkbox"/> Factory Processing/Manufacturer <input checked="" type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor
H: Month(s) of peak season: (if applicable)	No peak season
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)	Receiving -> Injection -> Sewing -> Assembly -> Packaging -> Shipping
J: What form of worker representation / union is there on site?	<input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input checked="" type="checkbox"/> None
K: Is there any night production work at the site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
L: Are there any on site provided worker accommodation buildings e.g. dormitories	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation
M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details N/A - No accommodation

Audit Parameters			
A: Time in and time out	Day 1 Time in: 08:20 Day 1 Time out: 17:30	Day 2 Time in: 08:20 Day 2 Time out: 17:30	Day 3 Time in: 08:30 Day 3 Time out: 12:00
B: Number of auditor days used:	5,0 MD (0.5 MD since it is bundle audit)		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, why not		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Allan Bruno Cruz / Sustainable Development Analyst		
H: Is further information available (if yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	N/A		
J: Previous audit type:	N/A		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	There is no worker representative		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There is no Union Representatives		

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	1171	0	10	0	0	0	0	1181
Worker numbers – female	883	0	3	0	0	0	0	886
Total	2054	0	13	0	0	0	0	2067
Number of Workers interviewed – male	40	0	4	0	0	0	0	44
Number of Workers interviewed – female	18	0	0	0	0	0	0	18
Total – interviewed sample size	58	0	4	0	0	0	0	62



A: Nationality of Management	Brazilian	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities:</p> <p>B1: Nationality 1: Brazilian</p> <p>B2: Nationality 2: _____</p> <p>B3: Nationality 3: _____</p>	<p>Was the list completed during peak season?</p> <p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>No peak season</p> <p>If no, please describe how this may vary during peak periods:</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx 100% total workforce: Brazilian</p> <p>C1: approx % total workforce: Nationality 2 _____</p> <p>C2: approx % total workforce: Nationality 3 _____</p>	
D: Worker remuneration (management information)	<p>D: _____% workers on piece rate</p> <p>D1: _____% hourly paid workers</p> <p>D2: 100 % salaried workers</p> <p>Payment cycle:</p> <p>D3: _____% daily paid</p> <p>D4: _____% weekly paid</p> <p>D5: 100% monthly paid</p> <p>D6: _____% other</p> <p>D7: If other, please give details</p>	



Worker Interview Summary	
A: Were workers aware of the audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(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)</i>	8 groups of 05 employees
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 10 D2: Female: 12
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	No complaints
I: What did the workers like the most about working at this site?	Payment on day
J: Any additional comment(s) regarding interviews:	None
K: Attitude of workers to hours worked:	All employees are free to leave the company after their shift ends.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details:	
M: Attitude of workers: <i>(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</i>	

Auditors performed 62 interviews to production employees. All the interviews were favorable with the management. Facility's managers treatment and work environment are good. Employees were assured of confidentiality and they spoke freely of their views of the factory.

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

Not applicable – No worker's committee / union representative.

O: Attitude of managers:

(Include attitude to audit, and audit process. Both positive and negative information should be included)

Management were helpful and polite during the whole auditing process. The factory management gave the full access to all necessary areas for tour, and a private room was arranged for employees' interview. All the relevant managers were present at openings and closing's meeting.

Audit Results by Clause

0A: Universal Rights covering UNGP

[\(Click here to return to NC-table\)](#)

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: During documents review and interviews with manager and employees it was noted that facility uses its own Code of Conduct concerning points about Universal Rights. Employees were trained and they are aware about the Code, also received a copy of it.

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

Details: Code of Conduct Grendene, Facility Procedures, trainings and interview with employees.

Any other comments: Not Applicable

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Sim, the company has a Sustainable Development Policy, a, a Human Resources policy and a Code of Conduct.</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Name: Cristiane Marisa Einsfeld Job title: Corporate Educational Coordinator</p>
<p>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?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: Non-compliance - No confidentially grievance mechanism.</p>
<p>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)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No D1: If no, please give details: Non-compliance - No confidentially grievance mechanism.</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Facility has an internal confidentiality procedure that describes facility's processes towards confidentiality and data privacy, ensuring this information is not disclosed.</p>

Findings	
<p>Finding: Observation <input type="checkbox"/> Company NC <input type="checkbox"/></p> <p>Description of observation: None observed</p> <p>Local law or ETI/Additional elements / customer specific requirement: None observed</p> <p>Comments: None observed</p>	<p>Objective evidence observed:</p> <p>None observed</p>

Good examples observed:	
<p>Description of Good Example (GE):</p>	<p>Objective Evidence Observed:</p>

None observed.	None observed.
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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)	A1: Last year: 2019 1,20 %	A2: This year 2020 1,58 %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	3,10%	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	C1: Last year: 2019 1,58 %	C2: This year:2020 1,20 %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	3,10%	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: CATs	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	F1: Last year: Number: 0,33	F2: This year: Number: 0,10
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0,05	
H: Lost day work cases per 100 workers:	H1: Last year: 4,07	H2: This year: 0

<p>[(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]</p>		
<p>I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:</p>	<p>I1: 6 months ____0____% workers</p>	<p>I2: 12 months ____0____% workers</p>
<p>J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:</p>	<p>J1: 6 months ____0____% workers</p>	<p>J2: 12 months ____0____% workers</p>

OB: Management system and Code Implementation
[\(click here to return to NC Table\)](#)

- 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.B.2 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with
- 0.B.3 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.B.4 Suppliers are expected to communicate this Code to all employees.
- 0.B.5 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: During documents review and interviews with manager and employees it was noted that facility uses its own Code of Conduct concerning points present in ETI Code. Employees were trained and they are aware about the Code, also received a copy of it.

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

Details: Code of Conduct Grendene, procedures, trainings and interview with employees.

Any other comments: Not Applicable

Management Systems:	
<p>A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: Please give details: No fine</p>
<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Facility presented the Code of Conduct, the Sustainable Development Policy and Employees' Manual to verify the Conformity about policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse. There is individual policy for each subject.</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Facility has a policies and procedures regarding: Child/forced labor, freedom of association, discrimination, harassment and abuse, working hours and compensation, environment, health and safety and subcontracting. During audit process and interviews no evidences of child/forced labor, discrimination, harassment and abuse were observed.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Facility promotes training on ethics policy and social compliance procedures when hires employees.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Yes, there is a training for all employees – Code of conduct in the hiring for new employees. It was verified attendance lists on this year (2020).</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: Facility is certified according to: FSC - Forest Stewardship Council - certificate number FSCN003114 - validity: March 24, 2021.</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: facility has a human resources department. Name of manager: André Luis Pinto.</p>

<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Cristiane Einsfield, Corporate Educational Coordinator, responsible for the Ethical Code of the company.</p>
<p>I: Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: HR procedure</p>
<p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: HR procedure</p>
<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: Management meetings are held, and internal reports are opened for verification and evaluation and verify corrective action plans and defines responsible for the actions.</p>
<p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1 Please give details: Facility has a Code of Conduct that requires to all suppliers to follow the same rules.</p>
<p>M: Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: Facility has a Code of Conduct that requires to all suppliers to follow the same rules, and the facility presents a Supplier Manual to ensure the application of the code of conduct in your supply chain.</p>
<p>Land rights</p>	
<p>N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: permit and environmental license</p>
<p>O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No O1: Please give details: the company is not in the process of buying property or land</p>

<p>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</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No P1: If yes, how does the company obtain FPIC: Facility have Preserved Areas and Property Management procedures.</p>
<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Q1: Please give details: We present an updated registration number of property n° 28 form 1, as well as an operating license.</p>
<p>R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No R1: Please give details: The company chose this land because it is inserted in an urban district. No evidences of considering alternatives to specific land acquisition, because facility had not been engaged in land acquisition processes in the last 12 months; and has no future plans regarding land acquisition.</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No S1: Please give details: No evidences of illegal appropriation of land for facility building or expansion of footprint</p>

Non-compliance:

<p>1. Description of non-compliance: None observed <input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Local law and/or ETI requirement: None observed Recommended corrective action: None observed</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> None observed</p>
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Observation:	
<p>Description of observation: None observed. Local law or ETI requirement: None observed. Comments: None observed.</p>	<p>Objective evidence observed: None observed.</p>

Good Examples observed:	
<p>Description of Good Example (GE):</p> <p>GE 1. The Occupational Health and Safety Management is based on a consolidated OHS Policy, which includes a set of structural and behavioral actions, which offers Grendene employees and partners, safe and healthy environments where respectful relations between people are fostered. The “Yes to Safe Behavior Program”, which under the phrase “I take care of you and you take care of me” which aims to spread the safety culture to all employees, in the company and in their lives. This program consists of 5 pillars with integrated actions that make up the Safe Behavior Index. They are: Safe Chat (daily chat about behaviors that result in the prevention of accidents and diseases, Walk with the Manager (periodic visits with the main manager of each area, focusing on the identification of prevention opportunities), Safety Inspections (application health and safety check-list in the work sectors) and the Resolution Index (compliance with health and safety improvement schedules and action plans). The safe behavior index is part of the company's management performance indicators.</p> <p>GE 2. The company maintains “Universidade Grendene” (Grendene University), whose program aims at the technical and human development of managers and employees in general of the company. The programs have some knowledge pillars regarding Business knowledge, Industrial, Leadership and Management, development of new leadership, Emergency solutions and other themes.</p> <p>GE 3. FSC - Forest Stewardship Council - certificate number FSCN003114 - validity: March 24, 2021.</p> <p>GE 4. The Vegan Society Certification - certificate number 025533 - validity: February 19, 2021.</p> <p>GE 5. Certificate for Awarding and Use of the 'OK BIOBASED' Conformity Mark TA8071903518 - validity: July 04, 2024.</p>	<p>Objective evidence observed:</p> <p>1-2 Interview with Management and Employees / Documents Review</p>

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1: Freely Chosen Employment
[\(Click here to return to NC-table\)](#)

ETI

- 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.

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: No prison, bonded, forced or involuntary labor was evidenced by the auditor, no retention of documents was observed.

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

Details: Contracts were reviewed in order to verify this issue, also interviews were performed.

Any other comments: Not Applicable

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details and category of workers affected:
B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details and category of workers affected:
C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details and category of workers affected:
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding:
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there is a published 'modern day slavery statement.	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: <input checked="" type="checkbox"/> Not applicable
G: Is there evidence of any restrictions on workers' freedoms	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding:

to leave the site at the end of the work day?	
H: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details and category of workers affected: <input type="checkbox"/> Not applicable
I: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: Code of Ethics

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: None observed. Local law and/or ETI requirement: None observed. Recommended corrective action: None observed.	Objective evidence observed: (where relevant please add photo numbers) None observed.

Observation:	
Description of observation: None observed. Local law or ETI requirement: None observed. Comments: None observed.	Objective evidence observed: None observed.

Good Examples observed:	
Description of Good Example (GE): None observed.	Objective evidence observed: None observed.

2: Freedom of Association and Right to Collective Bargaining are Respected

[\(Click here to return to NC-table\)](#)
[\(Click here to return to Key Information\)](#)

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: During interviews all employees stated that are free to join the union. The local union is: Union of Workers in the Footwear Industries and 2 Clothing Group from Crato / Juazeiro and Barbalha (Sindicato dos Trabalhadores nas Indústrias de Calçados e 2 Grupo do Vestuário de Crato/Juazeiro e Barbalha, CNPJ: 07.179.344/0001-59) has an agreement with the factory, which is in accordance with Brazilian legislation. No issues were found.

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

Details: Expired Collective Bargaining Document and interviews.

Any other comments: no comments.

<p>A: What form of worker representation/union is there on site?</p>	<p><input type="checkbox"/> Union (name) <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input checked="" type="checkbox"/> None</p>
<p>B: Is it a legal requirement to have a union?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>C: Is it a legal requirement to have a worker's committee?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Describe: Ethical channel</p> <p>Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details:	
F: Name of union and union representative, if applicable:	Not applicable	Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	Not applicable	Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Not applicable
I: Were worker representatives freely elected?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Date of last election: Not applicable
J: Do workers know what topics can be raised with their representatives?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Not applicable
K: Were worker representatives/union representatives interviewed?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , please state how many: Not applicable	
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 applicable	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If Yes , what percentage by trade Union/worker representation	100% workers covered by Union CBA	0% workers covered by worker rep CBA
If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed Local law and/or ETI requirement: None observed	Objective evidence observed: (where relevant please add photo numbers) None observed

Recommended corrective action: None observed	
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Observation:	
Description of observation: None observed. Local law or ETI requirement: None observed. Comments: None observed.	Objective evidence observed: None observed.
Good Examples observed:	
Description of Good Example (GE): None observed.	Objective evidence observed: None observed.

3: Working Conditions are Safe and Hygienic

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[\(Click here to return to Key Information\)](#)

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: Facility has a health and safety team - Specialized Services in Safety Engineering and Labor Medicine (SESMT) – registered in the Ministry of Labor - number 89850341/230720.132739 - date: July 23, 2020:
 05 HS Technician;
 02 Nursing Assistant;
 01 Labor Physician;
 01 HS Engineer.

No certification regarding HS.

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

Details:

Licenses:

Local License number 97 - validity: December 31, 2020..
 Fire Department License number 246319 - validity: March 17, 2023.
 Federal Police License number 2020-00559925 - validity: August 25, 2021.
 Health Surveillance License (Ambulatory) number 72 - validity: February 10, 2021.
 Health Surveillance License (Canteen) number 181 - validity: June 16, 2021.

Machinery: Risk Assessment - NR 12 - document number AR-08.02-00 - date: August/2013 - developed by: Nivaldo Germano da Silva Junior - Mechanical & HS Engineer - register CREA 0207753423-AL.

Safety Inspection Report - NR 13 - inspector: Valderiz Brasileiro Neto - Mechanical & HS Engineer - register CREA 0611274337CE.

02 out of 02 Boilers - validity: February 02, 2021;
 12 out of 12 Pressure Vessels - validity: February 04, 2021.

Relatório de Inspeção de Segurança - NR 13 - inspetor: Valderiz Brasileiro Neto - Eng. Mecânico e de Segurança do Trabalho - registro CREA 0611274337CE.

02 de 02 Caldeiras -- validade: 02/02/2021;

12 de 12 Vasos de Pressão - validade: 04/02/2021.

Chemicals: Employees are trained on chemicals issues. Chemical training - date: October 07-08, 2020.

Bathrooms & Water: Drinkable water is bought and served to employees on water fountains that keep it fresh. Facility presented potable reports for the water bought.

Emergency Preparedness: Facility has Fire Extinguishers, alarms, emergency lights and Hydrants. Facility has a total of 180 Fire Brigade members - training date: February 07, 2020 - workload: 08 hours (refresher) - instructors: Nagela Pereira Rodrigues - HS Technician - register CE/002828 and Enoque Alcantara da Silva - HS Technician - register CE/4387.

Emergency Plan - date: February/2020 - developed by: Francisco Edson Lobo Soares - HS Engineer - register CREA 45931D/CE and Cleyton Menzen - HS Technician - register 00132500 CE.

Fire Drill training: October 12, 2020.

Worker Committee: EHS Committee: 18 titular and 14 replacement members - training date: November 22-25, 2019 - workload: 20 hours - instructor: Enoque Alcantara da Silva - HS Technician - register CE/4387 and Camila Justino de Oliveira Justo - Nurse - register COREN 299252-ENF.

Last Internal Work Related Accidents' Week - SIPAT: May 06-17, 2019.

PPE's: Employees receive theirs PPE's free of charge and they are trained about how to use / clean them.

Health & Safety Programs:

- Program Work Health, Safety and Environmental (PPRA) – date: July 01, 2020 - developed by: Francisco Edson Lobo Soares - HS Engineer - register CREA 45931D/CE.
- Program for Medical Control of Occupational Health (PCMSO) - date: August 01, 2020 - developed by: Kellyane Cunha de Miranda - Labor Physician - register CRM/CE 12039.
- Ergonomic Analysis – date: June/2020 - developed by: Francisco Edson Lobo Soares - HS Engineer - register CREA 45931D/CE and Kellyane Cunha de Miranda - Labor Physician - register CRM/CE 12039.

Any other comments:

Single Line Diagram - date: June 09, 2020 - Tecnicl responsible - Luiz Bezerra - register CREA-CE 5162/D and Marcus Peixoto - register CREA-CE 7327/D.

NR-10 Electrical Installation Report - date: September/2020 - review: 001 - 2020 - developed by: Gonçalo Melo Gomes Neto - register CREA/CE 52862D.

Covid-19 measures: Auditors took all the safety measures like wearing masks. Auditors, facility representatives and employees are respecting social distance and are using hand sanitizers all times. Company made alcohol gel available and published guidance / information about the disease on the notice board.

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No A1: Please give details: Code of Conduct</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: Integration Manual</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details: No structural additions without required permits</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: Please give details: Visitors go through integration training before and to release their entry, legal documentation and protective equipment are charged, however if the visitor does not have Grendene it supplies.</p>
<p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details: Health Sureveillance License (Ambulatory) number 72 - validity: February 10, 2021.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No F1: Please give details: Doctor</p>
<p>G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No G1: Please give details: No transport provide</p>
<p>H: Is secure personal storage space provided for workers in their living space and is fit for purpose?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details: Lockers</p>

<p>I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No I1: Please give details: Facility presented: - Program for Medical Control of Occupational Health; - Workplace's Prevention of Risks Plan; - Occupational Ergonomic Analysis</p>
<p>J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details: Environmental License number 047/2019 - validity: December 04, 2020.</p>
<p>K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No K1: Please give details: No banned chemicals used.</p>

Non-compliance:	
<p>Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: None observed</p> <p>Local law and/or ETI requirement: None observed</p> <p>Recommended corrective action: None observed</p>	<p>Objective evidence observed: (where relevant please add photo numbers) None observed</p>

Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement: None observed.</p> <p>Comments: None observed.</p>	<p>Objective evidence observed: None observed.</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective evidence observed: None observed.</p>

4: Child Labour Shall Not Be Used

[\(Click here to return to NC-table\)](#)
[\(Click here to return to Key Information\)](#)

ETI

- 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.

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: Employees stated during interviews that only employees above 18 years old work at the production and that at the time of hiring Ids and Birth Certificated are checked. Facility has 77 Apprentices according to Brazilian law.

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

Facility's Procedure for contracting; Contracts and Copies of document such Ids and Birth Certificates were reviewed.

A: Legal age of employment:	16 years with restriction
B: Age of youngest worker found:	18 years old
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	00 %
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements
- NC against customer code: None observed.
- NC against Local Law

Local law and/or ETI requirement: None observed.
Recommended corrective action: None observed.

Objective evidence observed:

(where relevant please add photo numbers)
 None observed.

Observation:	
Description of observation: None observed. Local law or ETI requirement: None observed. Comments: None observed.	Objective evidence observed: None observed.

Good Examples observed:	
Description of Good Example (GE): None observed.	Objective evidence observed: None observed.

5: Living Wages are Paid

[\(Click here to return to NC-table\)](#)

[\(Click here to return to Key information\)](#)

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: During documents checking it was analysed 62 employee's payrolls from 3 different months (September/2020; July/2020 and February/2020), in total of 186 payrolls and no issues were found. Also, during interview with employees, they stated that all benefits are correctly paid. Facility has a Time Compensation System authorized by the Ministry of Labor – Agreement: CE000488/2020.

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

Details: Payroll and Time records were reviewed.

Any other comments: No comments.

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law

NC against customer code:

None observed.

Local law and/or ETI requirement: None observed.

Recommended corrective action: None observed.

Objective evidence observed:

(where relevant please add photo numbers)

None observed.

Observation:

Description of observation: None observed.

Local law or ETI requirement: None observed.

Objective evidence observed:

Comments: None observed.	None observed.
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Good Examples observed:	
Description of Good Example (GE): GE 1. Facility provides additional benefits, such as: Food Assistance; Easter Chocolate Assistance; Christmas Gifts; Medical and Dental Assistance (on-site).	Objective evidence observed: 1- Documents review and interviews

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 44 hours/week	44 hours/week	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 2 hours per day	2 hours per day	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: BRL 1063,14 per month / 4,83 per hour	BRL 1063,14 per month / 4,83 per hour	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
D: overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: Regular days: 50% Rest day and Holidays: 100%	Regular days: 50% Rest day and Holidays: 100%	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Wages analysis:	
(Click here to return to Key Information)	
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If No , why not?	Not applicable.

<p>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)</p>	<p>62 employee's payrolls from 3 different months (September/2020 as a recent month; July/2020 as a peak month and February/2020 as a Non-peak month)</p>		
<p>C: Are there different legal minimum wage grades? If Yes, please specify all.</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>If Yes, please give details: Not applicable.</p>	
<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	<p>If No, please give details: Not applicable.</p>	
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<input type="checkbox"/> Below legal min <input type="checkbox"/> Meet <input checked="" type="checkbox"/> Above	<p>Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> Production: BRL 1063,14 per month / 4,83 per hour</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>____% of workforce earning under min wage ____% of workforce earning min wage 100% of workforce earning above min wage</p>		
<p>F: Bonus scheme found: Please specify details:</p>	<p>Bonus Scheme found: None <i>Note: full time employees and please state hour / week / month etc.</i></p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>INSS (Social Security National Institute), FGTS (Guaranty Fund for time on service)</p>		
<p>I: Have these deductions been made? Please list all deductions that have/have not been made.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>Please list all deductions that have been made.</p>	<p>1. INSS 2. FGTS Please describe: Meals</p>
		<p>Please list all deductions that have not been made.</p>	<p>1. None. Please describe:</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
<p>L: Do records reflect all time worked? (For instance, are workers asked to</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		

attend meetings before or after work but not paid for their time)	Please give details: Employees mark their own time record system when they enter and when they leave the factory. Meals break are also recorded.
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time: Not applicable.
If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: Not applicable
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Annually, in accordance with the legislation.
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: All employees are paid with equal rates to equal work.
Q: How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other, please explain:

6: Working Hours are not Excessive

[\(Click here to return to NC-table\)](#)
[\(Click here to return to Key Information\)](#)

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.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

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: During documents checking it was analysed 62 employee's payrolls from 3 different months (September/2020; July/2020 and February/2020), in total of 186 attendance records. Facility has implemented a working hours' control, through which every overtime hour must be authorized by the employee supervisor.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): Payroll and Time records were reviewed.

Any other comments: Not Applicable

Non-compliance:	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code:</p> <p>None observed.</p> <p>Local law and/or ETI requirement: None observed.</p> <p>Recommended corrective action: None observed.</p>	<p>Objective evidence observed:</p> <p>(where relevant please add photo numbers)</p> <p>None observed.</p>

Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement: None observed.</p> <p>Comments: None observed.</p>	<p>Objective evidence observed:</p> <p>None observed.</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective evidence observed:</p> <p>None observed.</p>

Working hours' analysis	
<p>Please include time e.g. hour/week/month</p> <p>(Go back to Key information)</p>	
Systems & Processes	
A. What timekeeping systems are used: time card etc.	Describe: <i>Electronic (Swipe Card)</i>
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If no, please give details: 62 employee's payrolls from 3 different months (September/2020; July/2020 and February/2020)</i>
C: Are standard/contracted working hours defined in all	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:</i>

contracts/employment agreements?		
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>If YES, please complete as appropriate:</i>
		<input type="checkbox"/> 0 hrs <input type="checkbox"/> Part time <input type="checkbox"/> Variable hrs <input type="checkbox"/> Other
		<i>If "Other", Please define:</i>
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>If yes, please detail hours, %, types of workers affected and frequency</i> Please give details: Not applicable.
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 <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain: A noncompliance was raised.	Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
	<i>Maximum number of days worked without a day off (in sample):</i>	
	6 days worked without a day off.	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>If yes, % of workers & frequency:</i>
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>If yes, please give details:</i>
Overtime Hours worked		

<p>I: Actual overtime hours worked in sample (State per day/week/month)</p>	<p>Highest OT hours: 0:00 hours/week</p>	<p>0,00 hours/day in September/2020 0,00 hours/day in July/2020 0,00 hours/day in February/2020</p> <p>0,00 hours/week in September/2020 0,00 hours/week in July/2020 0,00 hours/week in February/2020</p> <p>0,00 hours/month in September/2020 0,00 hours/month in July/2020 0,00 hours/month in February/2020</p>
<p>J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>K: Approximate percentage of total workers on highest overtime hours:</p>	<p>N/A</p>	
<p>L: Is overtime voluntary?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information</p>	<p>Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements:</p> <p>Employees' contract and interviews.</p>
<p>Overtime Premiums</p>		
<p>M: Are the correct legal overtime premiums paid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium</p>	<p>Please give details of normal day overtime premium as a % of standard wages:</p> <p>Regular days: 50% Rest day and Holidays: 100%</p>
<p>N: Is overtime paid at a premium?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>If yes, please describe % of workers & frequency:</p>
<p>O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please complete the</p>	<p><input type="checkbox"/> No <input checked="" type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other</p> <p>Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p>	

<p>boxes where relevant.</p>	<p>The local union: Union of Workers in the Footwear Industries and 2 Clothing Group from Crato / Juazeiro and Barbalha</p> <p>(Sindicato dos Trabalhadores nas Indústrias de Calçados e 2 Grupo do Vestuário de Crato/Juazeiro e Barbalha, CNPJ: 07.179.344/0001-59).</p>
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<p><input type="checkbox"/> Overtime is voluntary</p> <p><input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week</p> <p><input type="checkbox"/> Safeguards are in place to protect worker's health and safety</p> <p><input type="checkbox"/> Site can demonstrate exceptional circumstances</p> <p><input type="checkbox"/> Other reasons (please specify)</p> <hr/> <p>Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p> <hr/> <p>Not applicable</p>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If yes, please give details:</p> <p>Not applicable.</p>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>

7: No Discrimination is Practiced

[\(Click here to return to NC-table\)](#)

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: During interview with employees they stated that there is a really good relationship among all people in the facility. It was noted that there is no discrimination in 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.

One non-compliance was raised, based on local legislation.

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

Details: Contracts, Pay Roll and Interviews.

Any other comments: Not Applicable

A: Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 100 % Female: 00 %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	#: Not informed
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?:	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> access to training <input type="checkbox"/> promotion <input type="checkbox"/> termination or retirement

Professional Development

A: What type of training and development are available for workers?

Integration, Quality, safety Work trainings, Code of Ethics, Employee Manual and Environment.

<p>B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If no, please give details: Not applicable.</p>
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Non-compliance:	
<p>1. Description of non-compliance:</p> <p>Auditors noted during documents review that facility has 860 out 908 employees with disability (PCDs) required by law (corporative quote).</p> <p><input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement: In accordance with Brazilian Law nº 8213/91, Art. 93. A company with one hundred (100) employees or more is obliged to occupy from two percent (2%) to five percent (5%) of its positions with rehabilitated beneficiaries or skilled individuals with disability, according to the following proportion: IV- from 1,001 employees onwards.....5%.</p> <p>ETI CODE: 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>Recommended corrective action: Facility should meet the quote.</p> <p>Severity: Minor Deadline: 60 days Verification Method: Desktop Management Comments: If considered only the Crato/CE site, facility meets the percentage of 5%. The company has 109 out of 107 PCDs required by law.</p>	<p>Objective evidence observed: (where relevant please add photo numbers) 1- Documents review</p>

Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement: None observed.</p> <p>Comments: None observed.</p>	<p>Objective evidence observed:</p> <p>None observed.</p>

<p>Good Examples observed:</p>

Description of Good Example (GE): None observed.

Objective evidence observed:

None observed.

8: Regular Employment Is Provided

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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 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: Work performed is on the basis of recognized employment relationship established through national law and practice. During employee interview it was noted that every employee in the facility is correctly registered.

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

Details: Contracts, Payroll and Time records were reviewed, and interviews performed in order to verify compliance.

Any other comments: Not Applicable

Non-compliance:	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI requirement: None observed.</p> <p>Recommended corrective action: None observed.</p>	<p>Objective evidence observed: (where relevant please add photo numbers) None observed.</p>

Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement: None observed.</p> <p>Comments: None observed.</p>	<p>Objective evidence observed: None observed.</p>

Good Examples observed:	
<p>Description of Good Example (GE): None observed.</p>	<p>Objective evidence observed: None observed.</p>

Responsible Recruitment

All Workers	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?</p>	<p><input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions</p> <p>If any are unchecked, please describe finding and specific category(ies) of workers affected:</p>
<p>B: Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please describe details and specific category(ies) of workers affected:</p>

C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – please give details Not applicable
D: If any checked, give details:	Not Applicable

Migrant Workers:		
<i>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 and where they do not intend to remain permanently or has purposely migrated on a temporary basis to another in-country region to seek and engage in a remunerated activity</i>		
A: Type of work undertaken by migrant workers:	N/A	
B: Migrant worker recruitment	N/A	
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?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: N/A	Observations N/A
D: Are any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No If yes number and example of roles: N/A	

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input type="checkbox"/> No
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – please give details
C: If any checked, give details:	N/A

Agency Workers (if applicable)	
<i>(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.)</i>	
A: Number of agencies used (average):	Names if available: Not applicable
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input type="checkbox"/> Yes <input type="checkbox"/> No
C: Were sufficient documents for agency workers available for review?	<input type="checkbox"/> Yes <input type="checkbox"/> No
D: Is there a legal contract / agreement with all agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details: N/A
E: Does the site have a system for checking labour standards of agencies?	<input type="checkbox"/> Yes <input type="checkbox"/> No

If yes, please give details.	Please give details: Not applicable
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Contractors:	
<i>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,</i>	
A: Any contractors on site?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, how many contractors are present, please give details: Brasileiros (Secutiry) – 03 employees; Nutrinor (Canteen) – 10 employees.
B: If Yes , how many workers supplied by contractors?	13 employees.
C: Do all contractor workers understand their terms of employment?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: N/A
D: If Yes , please give evidence for contractor workers being paid per law:	In order to determine compliance, non direct employees were included in the scope.

8A: Sub-Contracting and Homeworking:

8A: Sub-Contracting and Homeworking
[\(Click here to return to NC-table\)](#)
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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.

Note to auditor on homeworking:
 Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.

Note to auditor on subcontracting: auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers

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: The site does not have sub-contracted / homeworking workers. Not applicable.

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

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		

Details: N/A

Non-compliance:

<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local Law</p> <p><input type="checkbox"/> NC against customer code: None observed.</p> <p>Local law and/or ETI requirement: None observed.</p> <p>Recommended corrective action: None observed.</p>	<p>Objective evidence observed: (where relevant please add photo numbers) None observed.</p>
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Observation:	
Description of observation: None observed. Local law or ETI requirement: None observed. Comments: None observed.	Objective evidence observed: None observed.

Good Examples observed:	
Description of Good Example (GE): None observed.	Objective evidence observed: None observed.

Summary of sub-contracting – if applicable	
<input checked="" type="checkbox"/> Not Applicable please x	
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	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe:
B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , summarise details:
C: Number of sub-contractors/agents used:	
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , summarise details:
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 please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No If Yes , summarise details:		
B: Number of homeworkers	Male:	Female:	Total:

C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents	If through agents, number of agents:
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
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?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details:	
H: Are full records of homeworkers available at the site?	<input type="checkbox"/> Yes <input type="checkbox"/> No	

9: No Harsh or Inhumane Treatment is Allowed
[\(Click here to return to NC-table\)](#)

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

<p>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?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details:</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>N/A</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>N/A</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other Please give Details: None</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details</p>
<p>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)</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details N/A – No confidentially grievance mechanism</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain</p>
<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details</p>

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details</p>
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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: During interview with employees, it was noted no cases of physical abuse or discipline, threat of physical abuse, sexual or other harassments or verbal abuse or other forms of intimidation were reported. Employees stated that the relationship among all employees and managers is good.

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

Details: Contracts were reviewed, also interviews with employees.

Any other comments: No comments.

Non-compliance:

<p>1. Description of non-compliance:</p> <p>Auditors noted during documents review, facility tour and interviews, absence of a confidential / anonymous grievance channel.</p> <p><input checked="" type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement: ETI - 9: No Harsh or Inhumane Treatment – Discipline & Grievance - Item 9.21</p> <p>Recommended corrective action: Facility should provide a confidential / anonymous grievance channel</p> <p>Severity: Major Deadline: 60 days Verification Method: Desktop Management Comments: It is already in progress.</p> <p>2. Description of non-compliance:</p> <p>Auditors noted during documents review and interviews absence of a grievance committee to treat the grievance received.</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p> <p>1- Documents review; Facility tour and Interviews</p> <p>2- Documents review and interviews</p>
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<input checked="" 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: ETI 9: No Harsh or Inhumane Treatment – Discipline & Grievance - Item 9.20	
Recommended corrective action: Facility should provide a grievance committee.	
Severity: Major Deadline: 120 days Verification Method: Desktop Management Comments: It is already in progress.	

Observation:	
Description of observation: None observed. Local law or ETI requirement: None observed. Comments: None observed.	Objective evidence observed: None observed.

Good Examples observed:	
Description of Good Example (GE): None observed.	Objective evidence observed: None observed.

10. Other Issue areas: 10A: Entitlement to Work and Immigration

[\(Click here to return to NC-table\)](#)

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.

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: Only workers with a legal right to work shall be employed or used by the factory. There are no agency staffs and employment agencies. There is one immigration worker in the factory, properly hired. All employees had the right to work and documents such as ids and birth certificates are verified by the facility in order to hire or contract.

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

Details: Contracts, Payroll and Interviews were performed to verify compliance.

Any other comments: Not Applicable

Non-compliance:

1. Description of non-compliance:

NC against ETI/Additional Elements NC against Local Law
 NC against customer code:
 None observed.

Local law and/or ETI requirement: None observed.

Recommended corrective action: None observed.

Objective evidence observed:
 (where relevant please add photo numbers)
 None observed.

Observation:

Description of observation: None observed.

Local law or ETI requirement: None observed.

Comments: None observed.

Objective evidence observed:
 None observed.

Good Examples observed:

Description of Good Example (GE): None observed.

Objective evidence observed:

None observed.

10. Other issue areas 10B4: Environment 4–Pillar

[\(Click here to return to NC-table\)](#)

To be completed for a 4–Pillar SMETA Audit and remove the previous page which is 10B2 environment 2 pillar

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: Facility presented the Environmental License, IBAMA register; Air Emission Analysis; Water and Solid Residues management documents.

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

Facility is certified according to FSC - Forest Stewardship Council - certificate number FSCN003114 - validity: March 24, 2021.

Licenses:

Environmental License number 047/2019 - validity: December 04, 2020.

Brazilian Institute for the Environment and Natural Resources (IBAMA) Certificate – register number 339795 - validity: January 19, 2021.

Solid Waste: Solid Residues Management Program - date: March 08, 2020 - developed by: Allan Bruno Cruz de Souza - Technologist in Environmental Sanitation / Master in Environmental Management - register CREA 341986.

Hazardous Residues:

- General Residues / Solvent - transport: DM Ambiental Ltda - ME and final destination: Polimix Concreto Ltda;
- Ambulatory - transport and final destination: CTI Ambiental, Coleta e Transporte e Incineração;
- Oil - transport and final destination: Tasa Lubrificantes Ltda;

Non Hazardous Residues:

- Organic - transport and final destination: Alaidiana Leite Rolim;
- General Residues (non recyclable): Public Service.
- Polymer (non recyclable) /Trimming residue (footwear): transport: DM Ambiental Ltda and final destination: Polimix Concreto Ltda.

Recyclable:

- Metal - transport and final destination: GT dos Santos - ME;
- Paper / Plastic - transport and final destination: Renovar Meio Ambiente Ltda;

Reverse Logist:

- Textile Residues - Renova Lavanderia e Toalheiro Ltda.

Water: Water supply: Public System (SAAEC)

Sewage (domestic / industrial) is treated at the sewage treatment plant and the water is reused for irrigation and toilet flushing.

Wastewater analysis - frequency: monthly - last analysis date: September 30, 2020 - responsible technical: Antonio Herbert Quintino Rocha - Industrial Chemistry Technician - register CRQ 10.400.132.

Air emission: Air Emission Analysis - last analysis date: June 17, 2020 - developed by: Antonio Herbert Quintino Rocha - Industrial Chemistry Technician - register CRQ 10.400.132.

Borderline Noise: date: April 29, 2019 - developed by: Francisco Edson Lobo Soares - HS Engineer - register CREA 45931D/CE.

Non-compliance:

1. Description of non-compliance: None observed

- NC against ETI/Additional Elements NC against Local Law
- NC against customer code:

Local law and/or ETI requirement: None observed

Recommended corrective action: None observed

Objective evidence observed:

(where relevant please add photo numbers)

None observed

Observation:	
Description of observation: None observed. Local law or ETI requirement: None observed. Comments: None observed.	Objective evidence observed: None observed.

Good Examples observed:	
Description of Good Example (GE): None observed.	Objective evidence observed: None observed.

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Yes, the company has a sector dedicated to environmental management with a manager whose name is Carlos André Carvalho, and the plant is responsible for: Allan Bruno Cruz de Souza.
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No B1: Please give details: The company conducted a risk assessment in 2020 and maintain a regular control with records since that date. The company has environmental control procedures and equipment.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: Please give details:
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, is it publicly available? Yes
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please give details:
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No G1: Please give details: The packaging used in the products has the FSC certificate
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No H1: Please give details:
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A I1: Please give details:
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No J1: Please give details:
K: Facility has reduction targets in place for environmental aspects e.g. water consumption	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

and discharge, waste, energy and green-house gas emissions:	K1: Please give details: The company has an inventory of waste generated and traceability of waste disposal. It also has an environmental license for each waste receiver with a destination certificate.
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: Yes, the company has a system for weighing recyclable waste, as well as legal documents for proof: invoice.
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No M1: Please give details: The facility has a target to reduce consumption of energy and waste in relation to the previous year.
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: Please give details: NA

Usage/Discharge analysis

Criteria	Previous year: Please state period: May 2018/ May 2019 _____	Current Year: Please state period: May 2019/ May 2020 _____
Electricity Usage: <i>Kw/hrs</i>	9,850,307 kw/h	9,313,374 kw/h
Renewable Energy Usage: <i>Kw/hrs</i>	9,850,307 kw/h	9,313,374 kw/h
Gas Usage: <i>Kw/hrs</i>	Not disclosure	Not disclosure
Has site completed any carbon Footprint Analysis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Yes, in relation to the emissions we do not have quantified disaggregated by Units, the value presented is global / corporate	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Yes, in relation to the emissions we do not have quantified disaggregated by Units, the value presented is global / corporate
If Yes , please state result	10,937,231 tCO2e	10,029,280 tCO2e

Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	<ul style="list-style-type: none"> • SAAEC - S / A of Crato Water and Sewage 	<ul style="list-style-type: none"> • SAAEC - S / A of Crato Water and Sewage
Water Volume Used: <i>(m³)</i>	29,582m ³	18,622m ³
Water Discharged: <i>Please list all receiving waters/recipients.</i>	<ul style="list-style-type: none"> • The sewage is discharged into the sewer network, which is destined for the treatment plant. Reuse is used to irrigate gardens and flush toilets. • 	<ul style="list-style-type: none"> • The sewage is discharged into the sewer network, which is destined for the treatment plant. Reuse is used to irrigate gardens and flush toilets. •
Water Volume Discharged: <i>(m³)</i>	17,588 m ³	17,539 m ³
Water Volume Recycled: <i>(m³)</i>	12,438 m ³	13,777 m ³
Total waste Produced <i>(please state units)</i>	465,555 Kg	276,380 kg
Total hazardous waste Produced: <i>(please state units)</i>	50,066 kg	39,886 kg
Waste to Recycling: <i>(please state units)</i>	227,016	173,876
Waste to Landfill: <i>(please state units)</i>	NA	NA
Waste to other: <i>(please give details and state units)</i>	NA	NA
Total Product Produced <i>(please state units)</i>	9,324,277 shoes pairs	6,712,096 shoes pairs

10C: Business Ethics – 4-Pillar Audit

[\(Click here to return to NC-table\)](#)

To be completed for a 4-Pillar SMETA Audit

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: The management did not raise any issue regarding this chapter. Business Ethic policy is concerned on the Facility Ethic Code.

Transparent system in place for confidentially reporting and dealing with unethical Business Ethics: Non-compliance.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): Facility Ethical Code, Interview with employees and management were performed.

Non-compliance:

<p>1. Description of non-compliance:</p> <p>Auditors noted during documents review, facility tour and interviews, absence of a confidential / anonymous channel in place for reporting and dealing with bribery, corruption and unethical Business Practices.</p> <p><input checked="" type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement: 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>Recommended corrective action: Facility should provide a confidential / anonymous channel.</p> <p>Severity: Critical Deadline: 30 days Verification Method: Desktop Management Comments: It is already in progress.</p> <p>2. Description of non-compliance:</p> <p>Auditor noted during documents review absence of a procedure to address the report received.</p> <p><input checked="" type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement: 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>Recommended corrective action: Facility should provide a confidential / anonymous channel.</p> <p>Severity: Critical Deadline: 30 days Verification Method: Follow up Management Comments: It is already in progress.</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> 1- Documents review; Facility tour and Interviews 2- Documents review</p>
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Observation:	
<p>Description of observation: None observed.</p> <p>Local law or ETI requirement: None observed.</p>	<p>Objective evidence observed:</p>

Comments: None observed.	None observed.
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Good Examples observed:	
Description of Good Example (GE): None observed.	Objective evidence observed: None observed.

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	<input checked="" type="checkbox"/> Internal Policy <input type="checkbox"/> Policy for third parties including suppliers Please give details:
B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: training
C: Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Code of Conduct
D: Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Procedure

Other Findings Outside the Scope of the Code

None observed.

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)

None observed.

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><input type="checkbox"/> Not Applicable please x</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>
ETI Code / Additional Elements	Customer's Supplier Code equivalent
0.A. Universal Rights covering UNGP	0.A. Universal Rights covering UNGP
<p>0.A. Guidance for Observations</p> <p>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.</p> <p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>0.A.3 Businesses shall identify their stakeholders and salient issues.</p> <p>0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>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>	
0.B. Management Systems & Code Implementation	0.B. Management Systems & Code Implementation
<p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p>	

<p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>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>ETI 1. Forced Labour</p>	<p>ETI 1. Forced Labour</p>
<p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>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>ETI 2. Freedom of association and the right to collective bargaining are respected</p>	<p>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.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers' representatives are not discriminated against and have access to 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>ETI 3. Working conditions are safe and hygienic</p>	<p>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 & 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 & Safety to a senior management representative.</p>	
<p>ETI 4. Child labour shall not be used</p>	<p>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 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>ETI 5. Living wages are paid</p>	<p>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>ETI 6. Working Hours are not excessive</p>	<p>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"> - 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. <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>ETI 7. No discrimination is practised</p>	<p>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>ETI 8. Regular employment is provided</p>	<p>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</p>	

<p>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 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 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.</p>	
<p>8A: Sub-Contracting and Homeworking</p>	<p>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>ETI 9. No harsh or inhumane treatment is allowed</p>	<p>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>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>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. <i>Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.</i></p>	
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SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
<p>Environment Section</p>	<p>Environment Section</p>
<p>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.</p>	
<p>Business Practices Section</p>	

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

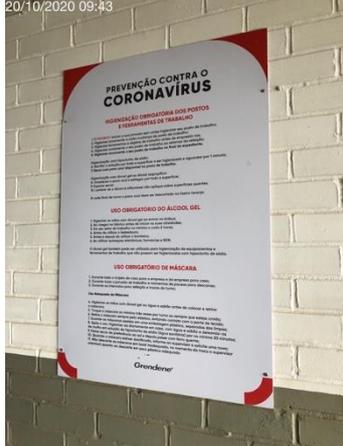
10C.7 Suppliers should ensure that the staff whose job roles carry a higher level of risk in the area of ethical Business Practice e.g. sales, purchasing, logistics are trained on what action to take in the event of an issue arising in their area.

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.

Photo Form

		
<p>Drinking Water</p>	<p>Bathroom – Gender Sign</p>	<p>Bathroom – Gender Sign</p>
		
<p>Bathroom – Hand Cleaning / Drying Matter</p>	<p>Toilet</p>	<p>COVID 19 measure</p>
		

<p>COVID 19 measure – Sanitizer</p>	<p>COVID 19 measure - Information</p>	<p>Electrical Panel</p>
 <p>20/10/2020 08:25</p>	 <p>20/10/2020 10:16</p>	 <p>20/10/2020 09:51</p>
<p>Main Entrance</p>	<p>PPE</p>	<p>Fire Alarm</p>
 <p>20/10/2020 09:44</p>	 <p>20/10/2020 09:45</p>	 <p>20/10/2020 09:45</p>
<p>Fire Extinguisher</p>	<p>Hydrant</p>	<p>Emergency Light</p>
 <p>20/10/2020 09:42</p>	 <p>20/10/2020 09:45</p>	 <p>20/10/2020 09:44</p>
<p>Evacuation Route Map</p>	<p>Evacuation Route Sign</p>	<p>Emergency Exit marked</p>

<p>Machine Safety Device</p>	<p>Boiler</p>	<p>Ergonomic Seat</p>
<p>First Aid Kit</p>	<p>Notice Board</p>	<p>MSDS</p>
<p>Chemical Secondary Containment</p>	<p>Chemical – Emergency Kit</p>	<p>Canteen</p>

<p>Solid Residues Area</p>	<p>Solid Residues Area</p>	<p>Chemical – Eye Wash Station</p>



For more information visit: [Sedexglobal.com](https://www.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

[Click here for Supplier \(B\) members:](#)

http://www.surveymonkey.com/s.aspx?sm=d3vYsCe48fre69DRgIY_2brg_3d_3d

[Click here for Auditors:](#)

<https://www.surveymonkey.co.uk/r/BRTVCKP>



AUDIT REPORT
SEDEX SMETA
GRENDENE
FORTALEZA UNIT



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details				
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 410972263	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 411854036	
Business name (Company name):	Grendene S.A.			
Site name:	Grendene S.A. – Fortaleza/CE			
Site address: <i>(Please include full address)</i>	Rua Cândido Castelo Branco, 865 – Barra do Ceará – Fortaleza – CEP: 60332-170 - CE	Country:	Brasil	
Site contact and job title:	Talyta Angelo Cruz – Sustainable Development Analyst			
Site phone:	5588-3112 2906	Site e-mail:	talyta.cruz@grendene.com.br	
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar	<input checked="" type="checkbox"/> Business Ethics
Date of Audit:	21/10/2020 to 23/10/2020			

Audit Company Name & Logo: 	Report Owner (payer): Grendene S.A.
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

(2) The audit scope was against the following reference documents

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - Universal rights covering UNGP
 - Management systems and code implementation,
 - Responsible Recruitment
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,

4-Pillar SMETA

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics
- The Customer's Supplier Code (Appendix 1)

(3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.

(4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

Any exceptions to this must be recorded here (e.g. different sample size): None

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

Lead auditor: Mr. Rodrigo Cioffi – CSR Lead Auditor - APSCA Number #RA21703272

Team auditor: Mr. Luiz Duarte – CSR Auditor - APSCA Number #RA21702509

Interviewers: Mr. Rodrigo Cioffi – CSR Lead Auditor – APSCA Number #RA21703272

Mr. Luiz Duarte – CSR Auditor – APSCA Number #RA21702509

Report writer: Mr. Rodrigo Cioffi – CSR Lead Auditor – APSCA Number #RA21703272

Report reviewer: Gabriela Rocha – Report reviewer 1

Date of declaration: 23/10/2020

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i> Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None
0B Management systems and code implementation		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	5	<p>GEs:</p> <p>1) The Occupational Health and Safety Management is based on a consolidated OHS Policy, which includes a set of structural and behavioural actions, which offers Grendene employees and partners, safe and healthy environments where respectful relations between people are fostered. The "Yes to Safe Behaviour Program", which under the phrase "I take care of you and you take care of me" which aims to spread the safety culture to all employees, in the company and in their lives. This program consists of 5 pillars with integrated actions that make up the Safe Behaviour Index. They are: Safe Chat (daily chat about behaviours that result in the prevention of accidents and diseases, Walk with the Manager (periodic visits with the main manager of each area, focusing on the identification of prevention opportunities),</p>

										<p>Safety Inspections (application health and safety check-list in the work sectors) and the Resolution Index (compliance with health and safety improvement schedules and action plans). The safe behaviour index is part of the company's management performance indicators.</p> <p>2) Grendene University: a program aims at the technical and human development of managers and employees in general of the company.</p> <p>3) FSC - Forest Stewardship Council - certificate number FSCN003114 - validity: March 24, 2021.</p> <p>4) The Vegan Society Certification - certificate number 025533 - validity: February 19, 2021.</p> <p>5) Certificate for Awarding and Use of the 'OK BIOBASED' Conformity Mark TA8071903518 - validity: July 04, 2024.</p>
1.	<u>Freely chosen Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None	
2.	<u>Freedom of Association</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None	
3.	<u>Safety and Hygienic Conditions</u>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	02	0	0	<ul style="list-style-type: none"> - Absence of Health Inspection Certificate for the canteen; - Absence of preventive maintenance program with an execution schedule. 	
4.	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None	
5.	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	1	Facility provides additional benefits, such as: Food Assistance; Easter Chocolate Assistance;	

									Christmas Gifts; Medical and Dental Assistance (on-site).
6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	0	0	0	None
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None
8A	<u>Sub-Contracting and Homeworking</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None
9	<u>Harsh or Inhumane Treatment</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2	0	0	- grievance channel related to inhumane treatment / harassment is not confidential / anonymous; - absence of a written procedure related to the inhumane treatment / harassment grievance channel.
10A	<u>Entitlement to Work</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None
10B2	<u>Environment 2-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA	Not applicable
10B4	<u>Environment 4-Pillar</u>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None
10C	<u>Business Ethics</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2	0	0	- grievance channel related to business ethics is not confidential / anonymous; - absence of a written procedure related to the business ethics grievance channel.

General observations and summary of the site:

- The company started its activities on 1991.

- Facility has some findings related to Grievance Channels (Hash / Inhumane Treatment and Business Ethics) and Health and Safety. All management stated that will correct the situation as soon as possible. The management accepted the findings and agreed that the audit procedure like tool for continuous improvement.
- The products manufactured at this site are footwear.
- Overall responsibility for meeting the standards is taken by Talyta Angelo Cruz – Sustainable Development Analyst.
- There is a total of 2200 employees on site (2200 directs and 16 NEWs).
- The youngest worker on site is 18-year-old.
- There is a union at this factory (Union of Workers in Industries of Footwear of Fortaleza).
- There is evidence of male and female in management and among supervisor.
- The distribution was: Male 40%, Female 60%.
- The peak occurs in the end of the year (September, October, November).
- 67 workers were selected for interview including 33 male and 34 female employees.
- All workers said they were satisfied with their employment at the factory.
- They also said they were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used.
- 67 Records to show wages and hours were taken for 3 months from the period October 2019 – September 2020.
- Legal minimum wage was paid to all workers – legal minimum wage is R\$ 1060.00 per month.
- Correct OT rate was paid. Overtime hours performed are compensated in accordance with Collective Agreement defined premiums: +50% (regular working days); +100% (rest days and holidays).

**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 S.A.	
B: Site name:	Grendene Fortaleza	
C: GPS location: (If available)	GPS Address: Not informed	Latitude: NA Longitude: NA
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	<p>Fire approval certificate: 171605, which is updated until March 18, 2021.</p> <p>Environmental license: 183/2018-DICOP-GECON, valid until 19.04.2022.</p> <p>Municipal license: AF00053898/2020, valid until 23/07/2021.</p> <p>Federal police license for chemicals – 2020-00559923, valid up to 25.11.2021.</p> <p>Company Health Surveillance License ILS0020089/2020, valid up to 17.08.2021.</p> <p>Federal Revenue Service - Registration of Corporate Taxpayers: 89.850.341/0014-84.</p>	
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacturing of footwear.	
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>The company is located in Fortaleza, State of Ceará, since 1991.</p> <p>Age of building: 1991.</p> <p>Building Area: 21999 square meters Total Area: 43758 square meters</p> <p>The company has 7 buildings, with the following details:</p> <ul style="list-style-type: none"> - 5 Production (labels, assembly and packaging / shoe processing / cutting and sewing / metallization / injection / packaging) - 1 Distribution Center/Inovation / Warehouse - 1 Adminsitrative <p>A total of 2200 employees are currently working in the facility, (2010 production employees and 174 non-production employees) and 16 agency's employees (Canteen, Security, Drugstore).</p> <p>All of them are local employees.</p> <p>The employees work for 5 days per week, in four shifts:</p>	

	<p>1) Monday to Friday, From 06:00AM to 03:48PM, with 70 minutes for lunchtime. (Production 1st Shift)</p> <p>2) Monday to Friday, From 04:00PM to 01:24AM; with 70 minutes for lunchtime. (Production 2nd Shift)</p> <p>3) Monday to Friday, From 23:24 to 06:00; with 70 minutes for lunchtime. (Production 3rd Shift)</p> <p>4) Monday to Friday, From 07:30 to 17:18; with 1h10min for lunchtime (Administrative Shift).</p> <p>Employees' wages are calculated on hourly basis and paid on the day 5 (60%) and on day 20 (40%).</p> <p>The peak occurs in the end of the year (September, October, November).</p> <p>Visible structural integrity is excellent.</p> <p>The site has a structural engineer evaluation.</p>
<p>G: Site function:</p>	<p><input type="checkbox"/> Agent</p> <p><input checked="" type="checkbox"/> Factory Processing/Manufacturer</p> <p><input type="checkbox"/> Finished Product Supplier</p> <p><input type="checkbox"/> Grower</p> <p><input type="checkbox"/> Homeworker</p> <p><input type="checkbox"/> Labour Provider</p> <p><input type="checkbox"/> Pack House</p> <p><input type="checkbox"/> Primary Producer</p> <p><input type="checkbox"/> Service Provider</p> <p><input type="checkbox"/> Sub-Contractor</p>
<p>H: Month(s) of peak season: (if applicable)</p>	<p>September to November</p>
<p>I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used)</p>	<p>Receipt of Raw Material / Formulation of Polyvinyl Chloride / Extrusion / Granulation of Polyvinyl Chloride / Injection of uppers and soles / Manufacture of Components / Assembly (Painting / Collages) / Packaging</p>
<p>J: What form of worker representation / union is there on site?</p>	<p><input checked="" type="checkbox"/> Union (Union of Workers in Industries of Footwear of Fortaleza)</p> <p><input type="checkbox"/> Worker Committee</p> <p><input type="checkbox"/> Other (specify)</p> <p><input type="checkbox"/> None</p>
<p>K: Is there any night production work at the site?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>L1: If yes, approx. % of workers in on site accommodation</p>

M: Are there any off site provided worker accommodation buildings	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers		
N: Were all site-provided accommodation buildings included in this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details NA		
Audit Parameters			
A: Time in and time out	Day 1 Time in: 08:10AM Time out: 05:40PM	Day 2 Time in: 08:10AM Time out: 05:45PM	Day 3 Time in: 08:25 AM Time out: 11:30AM
B: Number of auditor days used:	2 auditors x 2,5 days		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 4 weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: If No, why not?		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Talyta Angelo Cruz / Sustainable Development Analyst		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	Not applicable		
J: Previous audit type:	Not applicable		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	In Brazil, it is not common for an employee representative to participate in the audit process.		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There is no union at this factory.		

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*				Total
	Permanent	Temporary	Agency	Permanent	Temporary	Agency	Home workers	
Worker numbers – Male	959	0	8	0	0	0	0	967
Worker numbers – female	1225	0	8	0	0	0	0	1233
Total	2184	0	16	0	0	0	0	2200
Number of Workers interviewed – male	30	0	1	0	0	0	0	31
Number of Workers interviewed – female	30	0	1	0	0	0	0	31
Total – interviewed sample size	60	0	2	0	0	0	0	62



A: Nationality of Management	Brazil	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first.</p> <p><i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities:</p> <p>B1: Nationality 1: Brazil</p> <p>B2: Nationality 2: NA</p> <p>B3: Nationality 3: NA</p>	<p>Was the list completed during peak season?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods: There's no variation of workers on peak periods.</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 100%</p> <p>C1: approx % total workforce: Nationality 2 0%</p> <p>C2: approx % total workforce: Nationality 3 0%</p>	
D: Worker remuneration (management information)	<p>D: 0% workers on piece rate</p> <p>D1: 0% hourly paid workers</p> <p>D2: 100% salaried workers</p> <p>Payment cycle:</p> <p>D3: 0% daily paid</p> <p>D4: 0% weekly paid</p> <p>D5: 0% monthly paid</p> <p>D6: 100% other</p> <p>D7: If other, please give details: Bi-monthly: on day 5 (60%) and on day 20 (40%).</p>	



Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(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)</i>	8 groups of 5
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 10 D2: Female: 12
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	None
I: What did the workers like the most about working at this site?	Good environment, Good food
J: Any additional comment(s) regarding interviews:	None
K: Attitude of workers to hours worked:	No complaints.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details: Not applicable.	
M: Attitude of workers: <i>(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</i>	

During the interview process employees seemed very calm and comfortable; it was noted that they like working at the facility. They said it is an ethical and transparent place, there was not any evidence of misconduct by managers or supervisors. No complaints were made regarding health and safety issues.

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

There is no worker's committee or union representatives at the company.

O: Attitude of managers:

(Include attitude to audit, and audit process. Both positive and negative information should be included)

The managers/supervisors/coordinators were very ethic, honest, kind and transparent during the audit and did not try to persuade the auditor. The documents required by auditor were presented and all information provided by the facility was clear and understandable. Also, they have demonstrated a great intent of continuous improvement.

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: Facility respects the Universal Rights, endorsed by senior management and informed to employees, contractors and suppliers.

No non-conformity was noted.

The employees receive this training at the moment they are hired.

The terms and conditions for employees are stated in the employee handbook and all workers are trained in the grievance procedure.

Facility published a human rights statement on its murals, and a formal training is given to employees during hiring process.

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

Details: The Company presented all the policies and codes that are applied, including regarding human rights, transparency with stakeholders and pointed out the designated responsible of that implementation.

- Interviews with 62 employees to verify the conformity.
- The Company presented all the policies and codes that are applied, including regarding human rights, transparency with stakeholders and pointed out the designated responsible of that implementation.
- Management interviews.
- Employees' Manual
- Internal Rules

Any other comments: All employees stated their rights were respected by facility management.

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details (mainly applicable for the parent company): Code of Ethics and Discipline</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: NA Name: Talyta Angelo Cruz Job title: Sustainable Development Analyst</p>
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: During the facility tour and interviews with employees it was noted that facility has an email and an ombudsman box to report complaints and suggestions.</p>
<p>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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: NA</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has an internal confidentiality procedure that describes facility's processes towards confidentiality and data privacy, ensuring this information is not disclosed.</p>

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

Good examples observed:	
<p>Description of Good Example (GE): NA</p>	<p>Objective Evidence Observed: NA</p>

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)	Last year: 2019 ___1,23%__ %	This year: 2020 ___ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	Not informed	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	Last year: 2019 ___3,02__ %	This year: 2020 ___3,66__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	5,08	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Recorded by the H&S Team	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	Last year: 2019 Number: 0,6187	This year: 2020 Number: 0,3313
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0,1656	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	Last year: 2019 0,4396	This year: 2020 0,2592
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months 0% workers	I2: 12 months 0% workers

J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months 0% workers	J2: 12 months 0% workers
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0B: Management system and Code Implementation

[\(Click here to return to summary of findings\)](#)

0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
 0.B.2 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with
 0.B.3 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
 0.B.4 Suppliers are expected to communicate this Code to all employees.
 0.B.5 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: The organization has implemented and informed to employees the Manual of Integration and the Policy.
 The company has an Ethical Code. The person responsible for the code implementation of the Ethical Code of the company is Cristiane Einsfield, Corporate Educational Coordinator.
 There's a designed responsible for ensuring compliance to ETI code requirements and customers' requirements regarding social compliance/human rights.
 The employees and the managers of the company know the code.
 Facility presented general business and operating licenses.

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

Details: To verify the compliance, the auditor performed interviews with managers and employees, and it was noted that facility had a Conduct Code that it is provided for all employees. In this conduct code are included all standards.

Documents reviewed:

- Policy and Procedures Training Records;
- Health and safety Policy;
- Human Resources Policy;
- Integrating employees' Manual;
- Health and Safety Internal Rules.
- Ethic Code of the company.

Any other comments: None.

Management Systems:	
A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA. No fines in last 12 months.
B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility presented the Code of Conduct and Employees' Manual to verify the Conformity about policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse. There is individual policy for each subject.
C: If Yes, is there evidence (an indication) of effective implementation? Please give details.	Facility has a policies and procedures regarding: Child/forced labor, freedom of association, discrimination, harassment and abuse, working hours and compensation, environment, health and safety and subcontracting. During audit process and interviews no evidences of child/forced labor, discrimination, harassment and abuse were observed.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility promotes training on ethics policy and social compliance procedures when hires employees.
E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Yes, there is a training for all employees – Code of conduct in the hiring for new employees. It was verified attendance lists on this year (2020).
F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
G: Is there a Human Resources manager/department? If Yes, please detail.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: facility has a human resources department. The Human Resources manager/department: André Luis Pinto.
H: Is there a senior person / manager responsible for implementation of the code	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	Please give details: Corporate Educational Coordinator: Cristiane Einsfield, responsible for the Ethical Code of the company.
I: Is there a policy to ensure all worker information is confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Reviewed by the auditor.
J: Is there an effective procedure to ensure confidential information is kept confidential?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Reviewed by the auditor.
K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Management meetings are held, and internal reports are opened for verification and evaluation and verify corrective action plans and defines responsible for the actions.
L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has a Code of Conduct that requires to all suppliers to follow the same rules.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Yes, all workers documents have an individual document file and system datafiles protected.
Land rights	
N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Municipal License AF00053898/2020;, valid until 23/07/2021; Environmental License 183/2018-DICOP-GECON, which is updated until 19.04.2022.
O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility had not been engaged in land acquisition processes in the last 12 months; and has no future plans regarding land acquisition. In cases of land acquisition, the company investigates large areas and good soil, as well as being close to highways to facilitate logistics.

<p>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</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, how does the company obtain FPIC: Facility have Preserved Areas and Property Management procedures.</p>
<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility presented a property contract. Municipal License AF00053898/2020;, valid until 23/07/2021; Environmental License 183/2018-DICOP-GECON, which is updated until 19.04.2022.</p>
<p>R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The company chose this land because it is inserted in an urban district. No evidences of considering alternatives to specific land acquisition, because facility had not been engaged in land acquisition processes in the last 12 months; and has no future plans regarding land acquisition.</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: No evidences of illegal appropriation of land for facility building or expansion of footprint.</p>

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: Local law and/or ETI requirement: NA Recommended corrective action: NA</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> NA</p>

Observation:	
<p>Description of observation: NA Local law or ETI requirement: NA Comments: NA</p>	<p>Objective evidence observed: NA</p>

Good Examples observed:

<p>1. Description of Good Example (GE): The Occupational Health and Safety Management is based on a consolidated OHS Policy, which includes a set of structural and behavioural actions, which offers Grendene employees and partners, safe and healthy environments where respectful relations between people are fostered. The "Yes to Safe Behaviour Program", which under the phrase "I take care of you and you take care of me" which aims to spread the safety culture to all employees, in the company and in their lives. This program consists of 5 pillars with integrated actions that make up the Safe Behaviour Index. They are: Safe Chat (daily chat about behaviours that result in the prevention of accidents and diseases, Walk with the Manager (periodic visits with the main manager of each area, focusing on the identification of prevention opportunities), Safety Inspections (application health and safety check-list in the work sectors) and the Resolution Index (compliance with health and safety improvement schedules and action plans). The safe behaviour index is part of the company's management performance indicators.</p> <p>2. Description of Good Example (GE): The company maintains "Universidade Grendene" (Grendene University), whose program aims at the technical and human development of managers and employees in general of the company. The programs have some knowledge pillars regarding Business knowledge, Industrial, Leadership and Management, development of new leadership, Emergency solutions and other themes.</p> <p>3. Description of Good Example (GE): FSC - Forest Stewardship Council - certificate number FSCN003114 - validity: March 24, 2021.</p> <p>4. Description of Good Example (GE): The Vegan Society Certification - certificate number 025533 - validity: February 19, 2021.</p> <p>5. Description of Good Example (GE): Certificate for Awarding and Use of the 'OK BIOBASED' Conformity Mark TA8071903518 - validity: July 04, 2024.</p>	<p>Objective evidence observed: Interview with Management and Employees / Documents Review</p>
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1: Freely Chosen Employment

[\(Click here to return to summary of findings\)](#)

ETI

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.

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: Evidenced that the facility complies with the requirements of this clause. Verified during the factory's visit and checked during the interviews with employees, that facility does not allow forced work, bonded or involuntary prison labour.

During hiring process, the company requests copies of employee documents to verify age.

Also verified during the interviews, that worker is not required to lodge deposits or their identity papers with their employer and are free for leave their employer after reasonable notice.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): The auditor verified employment contracts, registration forms, pay slips and timecards. Workers through interviews confirmed that there is no forced, bonded or involuntary labour in place. The employees are free to leave their employer when is necessary with reasonable notice and in the end of their shift. They were not required to lodge any deposit or original identify papers.

Any other comments: none.

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes please give details and category of workers affected: NA
B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected: NA
C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected : NA
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: NA
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: NA <input checked="" type="checkbox"/> Not applicable

<p>F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: NA</p>
<p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes please give details and category of workers affected: Facility has internal policy and code of conduct to monitor and prevent all these situations. <input type="checkbox"/> Not applicable</p>
<p>H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: Yes, facility provided internal trainings about their policies to prevent these situations.</p>

<p style="text-align: center;">Non-compliance:</p>	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: Local law and/or ETI requirement: NA Recommended corrective action: NA</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> NA</p>

<p style="text-align: center;">Observation:</p>	
<p>Description of observation: NA Local law or ETI requirement: NA Comments: NA</p>	<p>Objective evidence observed: NA</p>

<p style="text-align: center;">Good Examples observed:</p>	
<p>Description of Good Example (GE): NA</p>	<p>Objective evidence observed: NA</p>

2: Freedom of Association and Right to Collective Bargaining are Respected

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

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:

The facility complies with the requirements of this clause.
 There is no evidence of a workers committee
 There is one set of minutes only
 Employees are associated with unions with annual payment. The union representing the employees is the Union of Workers in Industries of Footwear of Fortaleza.
 Workers are not discriminated and also according to interviews, company adopts an open attitude towards the activities of trade unions and there is no discrimination.

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

Details:

- Collective agreement: Minimum wage: R\$ 1060,00 per month. Overtime hours premium: 50% (Mondays to Saturdays); 100% (rest days and holidays).
- Interview with workers (62 sampled employees)
- Interview with managers
- Policy and Procedures Training Records;
- Health and safety Policy;
- Human Resources Policy;
- Health and Safety Internal Rules.

Any other comments: None.

A: What form of worker representation/union is there on site?

- Union (Union of Workers in Industries of Footwear of Fortaleza)
- Worker Committee
- Other (specify)

	<input type="checkbox"/> None	
B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Describe: Yes, all employees have access for a tool called Integrity line to report any problem that affects human rights or conduct deviations. Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No NA	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The union has all access in the facility and facility provides adequate facilities to allow the Union to conduct related business.	
F: Name of union and union representative, if applicable:	Union of Workers in Industries of Footwear of Fortaleza	Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	NA	G1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	NA
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: NI
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please state how many: NA	
L: Please describe any evidence that union/worker's committee is effective? <i>Specify date of last meeting; topics covered; how minutes were communicated etc.</i>	Collective Agreement	

M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
If Yes , what percentage by trade Union/worker representation	100% workers covered by Union CBA	0% workers covered by worker rep CBA
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

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

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

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

3: Working Conditions are Safe and Hygienic

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

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: During documents review, interviews and factory tour it was noted that facility has good overall conditions regarding occupational health and safety, such as: potable water available for all employees; evacuation plan posted at production area, emergency exit with signs, fire extinguishers available at production area; good conditions and maintenance of electrical safety; chemical products are segregate in an isolated area with a trained employee handling; ambulatory with a medical room, and a doctor to do first aid.

Facility's Safety department is responsible for ensure compliance to legal and customer requirements and a general Health & Safety Policy, including a training program to ensure employees are familiar with internal procedures. It was noted that facility complies with all legal requirements towards health and safety (assessments, training and registers).

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

Details:

- Occupational Health Control Program – Valid until 20.03. 2021 – Responsible: Doctor Leonardo Oliveira Costa CRM/CE 11327;
- Workplace's Prevention of Risks Plan – Valid until 20.03. 2021 – Responsible: Eng. Eng Antônio Wagner Gois Filho CREA nº 14416D/CE
- Occupational Ergonomic Analysis – Issuance date: July 22nd, 2020 – Responsible: Dr. Leonardo Oliveira Costa CRM/CE 11327 e Eng Antônio Wagner Gois Filho CREA nº 14416D/CE
- Personal Protective Equipment delivery reports (PPE: checked 62 samples accordingly).
- Work related accidents communication and investigation forms, from last 12 months. It was registered 2 accident.
- Internal Commission on Accident Prevention - election on May/2020.
- Fire Brigade Team Training – the last occurred on September 2020 – 20 hours of course (157 employees).

- MSDS's available;
- Inspection books;
- Annual preventive maintenance schedule per equipment; and corrective maintenance registers for 4 out of 4 sampled machines, addressing date, maintenance service provided, responsible person and conclusive statement.
- Electrical Installations File.
- Fire extinguishers monthly inspection sheets. Last inspection on September 2020.
- Chemical Safety training registers. Last training held on October 2020 (2 hours).
- Forklift operation training registers.
- Policy and Procedures Training Records;
- Health and safety Policy;
- Human Resources Policy;
- Integrating employees' Manual;
- Health and Safety Internal Rules.

Any other comments: none.

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Yes, facility has Health & Safety and occupational Health & Safety policies and procedures fitting for purpose and are these communicated to workers. All employees received a copy of these policies and training.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: All policies regarding Health and Safety are included in the Workers' Manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No, no structural additions without required permits/inspections were noted.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: All visitors received integration meeting to explain about HS situations and all visitors received the proper PPE.</p>
<p>E: Is a medical room or medical facility provided for workers?</p> <p>If yes, do the room(s) meet legal requirements and is the size/number of</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: Yes, it's in accordance with the local law.</p>

rooms suitable for the number of workers.	
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There's a nurse on site.
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA. The facility does not provide transport.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Yes, Facility provided Secure personal storage space for workers in their living space and is fit for purpose.
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility presented: <ul style="list-style-type: none"> - Program for Medical Control of Occupational Health; - Workplace's Prevention of Risks Plan; - Occupational Ergonomic Analysis
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Environmental Operation License: 183/2018-DICOP-GECON valid until 19.04.2022. All in compliance.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Facility does not use banned chemicals in your production process.

Non-compliance:	
<p>1. Description of non-compliance: absence of Health Inspection Certificate for the canteen.</p> <p><input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement: In accordance with Federal Law number 6.437/77, article 10, paragraph IV, the sanitary violations are: to extract, produce, manufacture, prepare, manipulate, purify, fractionate, pack, import, export, store, issue, transport, buy, sell, cede or use aliments, food products, medication, drugs, pharmaceutical goods, diet products, hygiene products,</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>Documents check</p>

<p>cosmetics or similar, packing, sanitation, utensil and devices that are public or individual health's interest, without register, license or authorizations of the Health Inspection competent authority or in opposition to the health legislation.</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>Recommended corrective action: Company must provide the Health Inspection Certificate for the canteen</p> <p>2. Description of non-compliance: Absence of preventive maintenance program with an execution schedule. <input checked="" type="checkbox"/> NC against ETI <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement: In accordance to Normative NR-12 (12.11.2.2) The maintenance of items that influence safety been must: a) in the case of preventives maintenance, have an execution schedule;</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>Recommended corrective action: Facility must provide the preventive maintenance program with an execution schedule.</p>	
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Observation:	
Description of observation: NA Local law or ETI requirement: NA Comments: NA	Objective evidence observed: NA

Good Examples observed:	
Description of Good Example (GE): NA	Objective Evidence Observed: NA

4: Child Labour Shall Not Be Used

[\(Click here to return to summary of findings\)](#)

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ETI

- 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.

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:

No evidences of child labour have been found.
 Facility has no young employees. The youngest employee has 18 years old.
 There were no children at facility.
 During the interviews, the auditor verified that no notice of child labour was noted.
 Facility check the age of employee during hiring process.
 The company follows the Brazilian Law which regards recruitment of apprentices.

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

Details:

- 1-- Code of Conduct;
- 2 - Policy and Training;
- 3 - Human Resources Policy;
- 4 – Policy of Child Labor Remediation
- 5 - Interviews with employees

Any other comments: None.

A: Legal age of employment:	Legal minimum: It is prohibited any work for minors less than sixteen (16) years old, except as apprentices, from the age of fourteen (14) years old. (Brazilian Labor Law, article 403). Under 18 years old is forbidden work on the night shifts, dangerous or unhealthy. (Brazilian Labor Law, articles 404 and 405).
B: Age of youngest worker found:	18 years old.
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

D: % of under 18's at this site (of total workers)	0%
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details: NA

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

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

Good Examples observed:	
Description of Good Example (GE): NA	Objective Evidence Observed: NA

5: Living Wages are Paid

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key information\)](#)

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:

- During this audit it was noted that in general terms company pays all rights to employees properly.
- It was confirmed during the employee's interviews and documents check that all workers are 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.
- There were no evidences of deductions from wages as a disciplinary measure. During documents check and management interviews no non-conformities were noted related to this topic.
- The local legal minimum wage was BRL 1086.83 per month.
- All workers' wages were calculated by hourly and monthly rate. The minimum wage paid by the factory was BRL 1086.83 per month according to the wage records, and the majority of workers receive more than minimum wage.
- The wages office was well organised with a good controlled set of processes which are understood by all employees.
- All workers are 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.
- Document review of payroll and employee wage records showed that 100% of workers had social insurance deducted and paid for pension, unemployment, maternity, sickness and injury. All workers had deductions made for injury insurance and personal income tax.
- Benefits of paid, annual leave, was given to all workers and child-bearing leave to appropriate workers.
- All social insurance payments were passed on to the relevant authorities in a timely manner.
- All workers were paid on the day 5 (60%) and on the day 20 of each month (40%) by bank transfer and each worker signed for their wages.

The auditor could evidence during the 62 interviews and documents check that all employees receive at least the minimum established by the Collective Agreement, which is higher than the minimum set by the Brazilian Government. The workers sign an employment contract with all information about the job and receive written information every month about the payment including all deductions that are in accordance with national legislation.

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

Details:

- Certificate of debts related to federal taxes credits and to active debts of the Union (Federal Government) valid until March 13, 2021.
- Compliance Certificate of the Severance Pay Indemnity Fund valid until November 01, 2020.
- Labour Ministry Inspection Book, with the last inspection held on January 09, 2017.
- Payslips; from 62 employees of following months: September/2020, May/2020, February/2020.
- Time records; from 62 employees of following months: September/2020, May/2020, February/2020.
- Collective Agreement Bargain;
- Employees' interviews;
- Policy and Procedures Training Records;
- Human Resources Policy;

Any other comments: None.

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI requirement: NA

Recommended corrective action: NA

Objective evidence observed:

(where relevant please add photo numbers)

NA

Observation:

Description of observation: NA

Local law or ETI requirement: NA

Comments: NA

Objective evidence observed: NA

Good Examples observed:

Description of Good Example (GE): Facility provides additional benefits, such as: Food Assistance; Easter Chocolate Assistance; Christmas Gifts; Medical and Dental Assistance (on-site).

Objective Evidence Observed: NA

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 44 hours per week (Brazilian Labor Law, article 59).	44 hours per week (Brazilian Labor Law, article 59).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 2 hours per day (Brazilian Labor Law, article 59).	Until 2 hours per day.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: R\$ 1060 per month	R\$ 1060,00 per month	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: Plus 50 % (normal hour) for overtime performed on weekdays and plus 100% (normal hour) for overtime performed on rest days and holidays.	Plus: 50 % (normal hour) for overtime performed on weekdays and plus 100 % (normal hour) for overtime performed during rest and holidays.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Wages analysis: (Click here to return to Key Information)	
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A1: If No , why not?	NA
B: Sample Size Checked	62 employee's payrolls from September/2020 (Recent month)

<p>(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)</p>	<p>62 employee's payrolls from May/2020 (Random month) 62 employee's payrolls from February/2020 (Random month)</p> <p>The peak occurs in the end of the year (September, October, November).</p>		
<p>C: Are there different legal minimum wage grades? If Yes, please specify all.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>C1: If Yes, please give details: NA</p>	
<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A</p>	<p>D1: If No, please give details: NA</p>	
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<p><input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above</p>	<p>E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> BRL R\$ 1086.83 per month</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>F1: 0% of workforce earning under minimum wage F2: 10% of workforce earning minimum wage F3: 90% of workforce earning above minimum wage</p>		
<p>G: Bonus Scheme found: Please specify details:</p>	<p>Bonus Scheme found: None. <i>Note: full time employees and please state hour / week / month etc.</i></p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>INSS (National Institute of Social Security), transport and meals, in accordance with law.</p>		
<p>I: Have these deductions been made?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	<p>I1: Please list all deductions that have been made.</p>	<p>1. Social Security 2. Transport 3. Meals Please describe: NA</p>
		<p>I2: Please list all deductions that have not been made.</p>	<p>1. 2. Please describe: NA</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>		
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>K1: Type <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident</p>	

		<input type="checkbox"/> Repeated occurrence:
L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	L1: Please give details: Reflect all worked time.
M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Please specify amount/time: NA
M2: If yes, what was the calculation method used.	<input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: NA	
N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Please give details: periodic reviews of wages occur during the annual revision of Collective Bargain Agreement / Brazilian labor law.
O: Are workers paid in a timely manner in line with local law?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
P: Is there evidence that equal rates are being paid for equal work:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Please give details: During documents check and employees interviews it was noted that equal rates are being paid for equal work. Employees salary is calculated in accordance with facility's wages policy, considering job position, activities performed and other evaluations.
Q: How are workers paid:	<input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other	If other, please explain: NA

6: Working Hours are not Excessive

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

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.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

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:

- Facility has an accurate system to control the working hours.
- During the interviews, the auditor could verify that although overtime hours were performed sometimes, employees perform overtime hours voluntarily and it is also paid as determined by the Collective Bargaining Agreement.
- It was checked time records from 62 employees. The time record is controlled through electronic timecard. It was verified that employees who performed overtime hours received the correct wage.
- Through employees' interview, overtime is voluntary.
- The factory provided hours and wages records from October 2019 to September 2020.
- According to time records and worker interview basic working hours were 08:00 hours per day and a max 44 hours per week with no more than 2 hours overtime per day sometimes on weekdays and some overtime on rest days.

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

Details:

Payslips and time records:

- 62 employee's payrolls from September 2020;
- 62 employee's payrolls from May 2020;
- 62 employee's payrolls from February 2020;
- Collective Bargain Agreement;
- Brazilian Labor law;
- Certificate of debts related to federal taxes credits and to active debts of the Union (Federal Government).
- Compliance Certificate of the Severance Pay Indemnity Fund.
- Labour Ministry Inspection Book.

Any other comments: None.

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI requirement: NA

Recommended corrective action: NA

Objective evidence observed:

(where relevant please add photo numbers)

NA

Observation:

Description of observation: NA

Local law or ETI requirement: NA

Comments: NA

Objective evidence observed:

NA

Good Examples observed:

Description of Good Example (GE): **NA**

Objective Evidence Observed: NA

Working hours' analysis Please include time e.g. hour/week/month (Go back to Key information)			
Systems & Processes			
A. What timekeeping systems are used: time card etc.	Describe: Electronic System		
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: NA		
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:	
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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	
		If "Other", Please define:	
		NA	
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	E1: If yes , please detail hours, %, types of workers affected and frequency Please give details: NA	
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

	If 'No', please explain: NA	
	Maximum number of days worked without a day off (in sample):	
	6	
Standard/Contracted Hours worked		
G: Were standard working hours over 48 hours per week found?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	G1: If yes, % of workers & frequency: NA
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	H1: If yes, please give details: NA
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	Until 2 hours per day..	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	10%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: NA
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of standard wages:

<p>N: Is overtime paid at a premium?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>N1: If yes, please describe % of workers & frequency:</p> <p>Plus 50 % (normal hour) for overtime performed on week days and plus 100 % (normal hour) for overtime performed during rest and holidays. Paid monthly.</p>
<p>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.</p>	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other	<p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p>
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<input type="checkbox"/> Overtime is voluntary <input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week <input type="checkbox"/> Safeguards are in place to protect worker's health and safety <input type="checkbox"/> Site can demonstrate exceptional circumstances <input type="checkbox"/> Other reasons (please specify)	<p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p>Q1: If yes, please give details:</p>	
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <p>NA</p>	

7: No Discrimination is Practiced

[\(Click here to return to summary of findings\)](#)

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:

- During facility tour and interviews it was noted that employees and manager respect each other and the differences among them, also became evident that employees have a good work environment and receive equal treatment and the same work conditions as well.
- As informed by interviewed workers, most employees spoke highly well of the factory managers.
- No worker was required to do the examination of the hepatitis B virus and HIV.
- Anti-discrimination procedure on hiring, compensation, promotion and access to training were available during the audit.
- Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work.
- There was no evidence of sexual harassment.
- Facility have a confidential channel and e-mail to employees report any unethical situations.

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

Details:

- 1-Employees' interviews; (62 employees sampled)
- 2 -Policy and Training;
- 3 -Human Resources Policy;
- 4 – Code of Conduct.

Any other comments: None.

A: Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 40 % Female: 60 %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	# 0

<p>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?:</p>	<p> <input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion <input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found </p> <p>C1: Please give details: NA</p>
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Professional Development

<p>A: What type of training and development are available for workers?</p>	<p>Machine operation, PPE usage and conservation, chemicals safe handling, firefighting and first aid measures, Internal Commission on Accident Prevention, Fire Brigade.</p>
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<p>B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p> <p>If no, please give details: NA</p>
---	---

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement: NA</p> <p>Recommended corrective action: NA</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p> <p>NA</p>

Observation:	
<p>Description of observation: NA</p> <p>Local law or ETI requirement: NA</p> <p>Comments: NA</p>	<p>Objective evidence observed:</p> <p>NA</p>

Good Examples observed:	
<p>Description of Good Example (GE): NA</p>	<p>Objective Evidence Observed: NA</p>

8: Regular Employment Is Provided

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

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 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:

Reviewed the contracts and terms of all sampled employees.

There's a labour agency used to hire workers, but the company hires employees directly too.

No temporary worker, or home worker was identified by the auditors.

No subcontractors were used.

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

Details:

1- Labor contracts; (62 sampled employees)

2-Certificate of debts related to federal taxes credits and to active debts of the Union (Federal Government).

3-Compliance Certificate of the Severance Pay Indemnity Fund.

Any other comments: None.

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement: NA</p> <p>Recommended corrective action: NA</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> NA</p>
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Observation:	
<p>Description of observation: NA</p> <p>Local law or ETI requirement: NA</p> <p>Comments: NA</p>	<p>Objective evidence observed: NA</p>

Good Examples observed:	
<p>Description of Good Example (GE): NA</p>	<p>Objective Evidence Observed: NA</p>

Responsible Recruitment

All Workers	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?</p>	<p><input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions</p> <p>If any are unchecked, please describe finding and specific category(ies) of workers affected: NA</p>
<p>B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If Yes Please describe details and specific category(ies) of workers affected: NA</p>

C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details: NA
D: If any checked, give details:	NA

Migrant Workers:	
<i>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</i>	
A: Type of work undertaken by migrant workers:	NA
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: NA C2: Observations: NA
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles:

workers, temporary and/or seasonal workers)

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other B1 – If other, please give details: NA
C: If any checked, give details:	NA

Agency Workers (if applicable) <i>(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.)</i>	
A: Number of agencies used (average):	Names if available: There're 3 agencies in the company: 1) Nutrinor = 08workers = Canteen 2) Farmacia Santa Branca = 4 3) Brasileiro (security)= 04 workers
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

C: Were sufficient documents for agency workers available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
D: Is there a legal contract / agreement with all agencies?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There're contracts with the agencies.
E: Does the site have a system for checking labour standards of agencies? If yes, please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Periodical documents review.

Contractors:	
<i>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,</i>	
A: Any contractors on site?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No A1: If yes, how many contractors are present, please give details:
B: If Yes , how many workers supplied by contractors?	NA
C: Do all contractor workers understand their terms of employment?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: NA
D: If Yes , please give evidence for contractor workers being paid per law:	NA

8A: Sub-Contracting and Homeworking
[\(Click here to return to summary of findings\)](#)
[\(Click here to return to Key Information\)](#)

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.
Note to auditor on homeworking:
 Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.
Note to auditor on subcontracting: auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers

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: Not applicable. No evidences of sub-contracting and home working. During documents check and interviews with employees and manager, the auditor could verify that the facility has no home-working or sub-contracting of any part of its production.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): Facility does not subcontract and no external processing was detected. It was verified during site tour, production records and invoice receipts from last 12 months.

Details: NA

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local Law
 NC against customer code:

Local law and/or ETI /Additional Elements requirement: NA

Recommended corrective action: NA

Objective evidence observed:

(where relevant please add photo numbers)

NA

Observation:

Description of observation: NA

Local law or ETI/Additional elements requirement: NA

Comments: NA

Objective evidence observed:

NA

Good Examples observed:	
Description of Good Example (GE): NA	Objective Evidence Observed: NA

Summary of sub-contracting – if applicable	
<input checked="" type="checkbox"/> Not Applicable please x	
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	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe:
B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes , summarise details:
C: Number of sub-contractors/agents used:	
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes , summarise details:
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 please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents:
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No		

<p>E: How does the site ensure worker hours and pay meet local laws for homeworkers?</p>	
<p>F: What processes are carried out by homeworkers?</p>	
<p>G: Do any contracts exist for homeworkers?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>G1: Please give details:</p>
<p>H: Are full records of homeworkers available at the site?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

9: No Harsh or Inhumane Treatment is Allowed
[\(Click here to return to summary of findings\)](#)

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

<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Facility has a grievance policy, composed by a direct channel which HR Sector, where the employees can report grievance and suggestion.</p>
<p>B: If Yes, are workers aware of these channels and have access? Please give details.</p>	<p>All employees stated that knows about the communication channels at facility.</p>
<p>C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.</p>	<p>Direct channel which HR Sector.</p>
<p>D: Which of the following groups is there a grievance mechanism in place for?</p>	<p><input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other</p> <p>D1: Please give details: Direct channel which HR Sector.</p>
<p>E: Are there any open disputes?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>E1: If yes, please give details</p>
<p>F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: NA</p>
<p>G: Is there a published and transparent disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain: NA</p>
<p>H: If yes, are workers aware of these the disciplinary procedure?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: NA</p>

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details: NA
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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: During interviews, it was noted that no harsh or inhumane treatment is practiced. Employees stated that the relationship among all employees and managers is good.

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

Details:
 1- Interview with the employees;
 2 – Facility tour;
 3 – Code of Conduct.

Any other comments: None.

Non-compliance:

<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Auditor noted that the company has a grievance channel related to inhumane treatment / harassment, however it is not confidential / anonymous.</p> <p>Local law and/or ETI requirement: ETI 9.2 companies should provide access to a confidential grievance mechanism for all workers.</p> <p>Recommended corrective action: Please ensure that the grievance channel related to inhumane treatment / harassment is anonymous.</p> <p>Timescale: 60 days</p> <p>Verification Method: Desktop</p> <p>Person Responsible: Cristiane Einsfield – Corporate Educational Coordinator</p>	<p>Objective evidence observed:</p> <p>Interview with employees and documents review</p>
<p>2. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Auditor noted the absence of a written procedure related to the inhumane treatment / harassment grievance channel found in the company.</p>	

<p>Local law and/or ETI requirement: ETI 9.2 companies should provide access to a confidential grievance mechanism for all workers.</p> <p>Recommended corrective action: Facility should provide a written procedure regarding harsh/inhumane treatment grievance channel.</p> <p>Timescale: 60 days</p> <p>Verification Method: Desktop</p> <p>Person Responsible: Cristiane Einsfield – Corporate Educational Coordinator</p>	
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Observation:	
<p>Description of observation: NA</p> <p>Local law or ETI requirement: NA</p> <p>Comments: NA</p>	<p>Objective evidence observed: NA</p>

Good Examples observed:	
<p>Description of Good Example (GE): NA</p>	<p>Objective Evidence Observed: NA</p>

10. Other Issue areas: 10A: Entitlement to Work and Immigration
[\(Click here to return to NC-table\)](#)

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.

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: It was noted that facility's hiring and recruiting practices are in accordance with legal and ETI Code requirements. Only employees with legal right to work are employed (no migrant employees). Facility has a recruitment and hiring procedure that ensure HR department will survey and validate original documentation of job applicants to ensure legal entitlement to work. Facility maintains copies of personal ID and documents to evidence compliance.

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

Details:

- 1- The procedure to recruit workers;
- 2 - Worker's interviews;
- 3 - Worker's rights policy.

Any other comments: None.

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local Law
 NC against customer code:

Local law and/or ETI /Additional Elements requirement: NA

Recommended corrective action: NA

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

Observation:

Description of observation: NA

Local law or ETI/Additional Elements requirement: NA

Comments: NA

Objective evidence observed:
NA

Good examples observed:

Description of Good Example (GE): NA

Objective Evidence Observed:
NA

10. Other issue areas 10B4: Environment 4–Pillar

[\(Click here to return to summary of findings\)](#)

To be completed for a 4–Pillar SMETA Audit and remove the previous page which is 10B2 environment 2 pillar

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:

The factory management maintained all legally required environmental documents in place which proved that the production of the factory is in compliance with the related environmental regulations. All of the legally required certificates including the registration form of environmental impacts of the construction, Approval of environmental impact assessment document and the environmental protection check and acceptance were available and valid during this audit. The annual monitoring report for waste air and water showed the pollutant discharging was compliance with environmental law. Based on observation on site, wastes were classified and collected on site. Based on worker’s interview, they were trained on environmental protection.

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

Details:

- Operational License: 183/2018-DICOP-GECON valid until 19.04.2022..
- Federal Technical Register of Potentially Pollutant Activities Regularity Certificate submitted.
- Waste Residue Transportation Permit;
- Drinking water Analysis – issued monthly
- Solid Waste Management Plan, in accordance with legal requirements.
- Employees' interviews;
- Procedures and Training Records;
- Integrating employees' Manual;

Any other comments: None.

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local
 NC against customer code:

Local law and/or ETI/Additional Elements requirement: NA

Recommended corrective action: NA

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

Observation:

Description of observation: NA

Local law or ETI/Additional elements requirements: NA

Comments: NA

Objective evidence observed:
NA

Good examples observed:

Description of Good Example (GE): NA

Objective Evidence Observed:
NA

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Carlos André Carvalho – Sustainable Development Manager
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The company conducted a risk assessment in 2020 and maintain a regular control with records since that date.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, is it publicly available? Yes.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Reviewed by the auditor.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Environmental License n. 183/2018-DICOP-GECON valid until 19.04.2022..
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Please give details: Chemical Inventory.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Chemical and Environmental Policies and Inventory.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: They have a target to reduce consumption of energy and waste in relation to the previous year.

L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Auditor reviewed documents about this situation, and they are in accordance with the local law.	
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Auditor reviewed documents about this situation, and they are in accordance with the local law.	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details: NA. There is no subcontractors.	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: August/ 2019	Current Year: Please state period: August/ 2020
Electricity Usage: <i>Kw/hrs</i>	520.558 kWh	642.285 kWh
Renewable Energy Usage: <i>Kw/hrs</i>	NA	NA
Gas Usage: <i>Kw/hrs</i>	0	0
Has site completed any carbon Footprint Analysis?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If Yes , please state result	10029,280 tCO ₂ e The facility does not have the quantified value disaggregated per Unit. This value is global/corporate.	NA The facility does not have the quantified value disaggregated per Unit. This value is global/corporate.
Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	CAGECE Water concessionaire	CAGECE Water concessionaire
Water Volume Used: <i>(m³)</i>	476 m ³	417 m ³
Water Discharged: <i>Please list all receiving waters/recipients.</i>	<ul style="list-style-type: none"> 0 m³ All effluent is treated internally and reused in 	<ul style="list-style-type: none"> 0 m³ All effluent is treated internally and reused in

	irrigation and toilet discharges.	irrigation and toilet discharges.
Water Volume Discharged: (m ³)	0	0
Water Volume Recycled: (m ³)	755	641
Total waste Produced (please state units)	18824,00 kg	21333,00 kg
Total hazardous waste Produced: (please state units)	4805,00 kg	4669,00 kg
Waste to Recycling: (please state units)	9831,00	11532,00 kg
Waste to Landfill: (please state units)	3617,00 kg	2867,00 kg
Waste to other: (please give details and state units)	571,00 kg (Class II waste for co-processing, e.g. EVA, Rubber, Miscellaneous components)	2265,00 kg (Class II waste for co-processing, e.g. EVA, Rubber various components and waste dismantling reverse logistics products)
Total Product Produced (please state units)	699.313,00	749.786,00

10C: Business Ethics – 4-Pillar Audit

[\(Click here to return to summary of findings\)](#)

To be completed for a 4-Pillar SMETA Audit

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:

Based on management interview the factory was familiar with national regulations/laws concerning business integrity standards.

Business integrity policy was established in the whole factory and communicated to all Employees by Employee Manual and regular training.

Each employee would get one Employee Manual when come into the factory.

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

Details:

- Management Interview

- Documents Review
- Factory Tour

Any other comments: None.

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local
- NC against customer code:

Auditor noted that the company has a grievance channel related to business ethics, however it is not confidential / anonymous.

Local law and/or ETI requirement: ETI 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.

Recommended corrective action: Please ensure that the grievance related to business ethics channel is anonymous.

Timescale: 30 days

Verification Method: Follow-Up

Person Responsible: Cristiane Einsfield – Corporate Educational Coordinator

2. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local
- NC against customer code:

Auditor noted the absence of a written procedure related to the business ethics grievance channel found in the company.

Local law and/or ETI requirement: ETI 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.

Recommended corrective action: Facility should provide a written procedure regarding related to the business ethics grievance channel.

Timescale: 30 days

Verification Method: Follow-Up

Person Responsible: Cristiane Einsfield – Corporate Educational Coordinator

Objective evidence observed:

(where relevant please add photo numbers)

Interview with Management and Documents Review

Observation	
Description of observation: NA Local law or ETI/Additional elements requirement: NA Comments: NA	Objective evidence observed: NA

Good examples observed:	
Description of Good Example (GE): NA	Objective Evidence Observed: NA

<p>A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?</p>	<input checked="" type="checkbox"/> Internal Policy <input checked="" type="checkbox"/> Policy for third parties including suppliers Please give details: Reviewed by the auditor, in accordance with the SEDEX requirements.
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Records reviewed by the auditor. Annual trainings.
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There's an annual update/review.
<p>D: Does the site require third parties including suppliers to complete their own business ethics training</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Reviewed by the auditor. All suppliers must sign the attendance list for future evidences.

Other findings

Other Findings Outside the Scope of the Code

None.

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)

None.

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><input checked="" type="checkbox"/> Not Applicable please x</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>
ETI Code / Additional Elements	Customer's Supplier Code equivalent
0.A. Universal Rights covering UNGP	0.A. Universal Rights covering UNGP
<p>0.A. Guidance for Observations</p> <p>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.</p> <p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>0.A.3 Businesses shall identify their stakeholders and salient issues.</p> <p>0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>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>	
0.B. Management Systems & Code Implementation	0.B. Management Systems & Code Implementation

<p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p> <p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>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>ETI 1. Forced Labour</p>	<p>ETI 1. Forced Labour</p>
<p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>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>ETI 2. Freedom of association and the right to collective bargaining are respected</p>	<p>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.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers’ representatives are not discriminated against and have access to 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>ETI 3. Working conditions are safe and hygienic</p>	<p>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 & 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 & Safety to a senior management representative.</p>	
<p>ETI 4. Child labour shall not be used</p>	<p>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 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>ETI 5. Living wages are paid</p>	<p>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>ETI 6. Working Hours are not excessive</p>	<p>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"> - 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. <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>ETI 7. No discrimination is practised</p>	<p>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>	

ETI 8. Regular employment is provided	ETI 8. Regular employment is provided
<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>	
8A: Sub-Contracting and Homeworking	8A: Sub-Contracting and Homeworking
<p>8A.1 There should be no sub-contracting unless previously agreed with the main client.</p> <p>8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.</p>	
ETI 9. No harsh or inhumane treatment is allowed	ETI 9. No harsh or inhumane treatment is allowed
<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.</p>	

<p>Additional elements: 9.2 companies should provide access to a confidential grievance mechanism for all workers</p>	
<p>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>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. <i>Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.</i></p>	

<p>SMETA Extra Sections for 4 Pillar Audit:</p>	<p>SMETA Extra Sections for 4 Pillar Audit:</p>
<p>Environment Section</p>	<p>Environment Section</p>
<p>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.</p>	

<p>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>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>	

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.

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Photo Form

		
<p>External Area</p>	<p>Social services –Pharmacy</p>	<p>Fire Hydrant</p>
		
<p>Production</p>	<p>Production</p>	<p>Alarm point</p>
		

Chemical warehouse	Pictograms warnings signs	Emergency Shower
		
Fire Alarm central	Ergonomics seats	Security measures and warning signs
		
Bathroom by gender	Environmental risk analysis	Escape route

		
<p>Canteen</p>	<p>Lockers for employees</p>	<p>Pressure vessel</p>

		
<p>Pressure vessel ID</p>	<p>Health and Safety Policy</p>	<p>Emergency exits</p>



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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

[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

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

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AUDIT REPORT
SEDEX SMETA
GRENDENE
SOBRAL UNIT



Sedex Members Ethical Trade Audit Report

Version 6.1



Audit Details			
Sedex Company Reference: <i>(only available on Sedex System)</i>	ZC: 410972263	Sedex Site Reference: <i>(only available on Sedex System)</i>	ZS: 411841985
Business name (Company name):	Grendene S.A.		
Site name:	Grendene Sobral		
Site address: <i>(Please include full address)</i>	Av. Pimentel Gomes, 214 – Expectativa	Country:	Brazil
Site contact and job title:	Taisa Sandolli Rossetto / Environmental Specialist		
Site phone:	+55 88 3112-2960	Site e-mail:	taisa.rossetto@grendene.com.br
SMETA Audit Pillars:	<input checked="" type="checkbox"/> Labour Standards	<input checked="" type="checkbox"/> Health & Safety (plus Environment 2-Pillar)	<input checked="" type="checkbox"/> Environment 4-pillar <input checked="" type="checkbox"/> Business Ethics
Date of Audit:	06.10.2020 – 08.10.2020		

Audit Company Name & Logo: 	Report Owner (payer): Grendene S.A.
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Audit Conducted By					
Affiliate Audit Company	<input checked="" type="checkbox"/>	Purchaser	<input type="checkbox"/>	Retailer	<input type="checkbox"/>
Brand owner	<input type="checkbox"/>	NGO	<input type="checkbox"/>	Trade Union	<input type="checkbox"/>
Multi-stakeholder	<input type="checkbox"/>	Combined Audit (select all that apply)			

Audit Content:

(1) A SMETA audit was conducted which included some or all of Labour Standards, Health & Safety, Environment and Business Ethics. The SMETA Best Practice Version 6.1 was applied. The scope of workers included all types at the site e.g. direct employees, agency workers, workers employed by service providers and workers provided by other contractors. Any deviations from the SMETA Methodology are stated (with reasons for deviation) in the SMETA Declaration.

(2) The audit scope was against the following reference documents

2-Pillar SMETA Audit

- ETI Base Code
- SMETA Additions
 - Universal rights covering UNGP
 - Management systems and code implementation,
 - Responsible Recruitment
 - Entitlement to Work & Immigration,
 - Sub-Contracting and Home working,

4-Pillar SMETA

- 2-Pillar requirements plus
- Additional Pillar assessment of Environment
- Additional Pillar assessment of Business Ethics
- The Customer's Supplier Code (Appendix 1)

(3) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.

(4) Any Non-Compliance against customer code shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

SMETA Declaration

I declare that the audit underpinning the following report was conducted in accordance with SMETA Best Practice Guidance and SMETA Measurement Criteria.

- (1) Where appropriate non-compliances were raised against the ETI code / SMETA Additions & local law and recorded as non-compliances on both the audit report, CAPR and on Sedex.
- (2) Any Non-Compliance against customer code alone shall not be uploaded to Sedex. However, in the CAPR these 'Variances in compliance between ETI code / SMETA Additions/ local law and customer code' shall be noted in the observations section of the CAPR.

Any exceptions to this must be recorded here (e.g. different sample size): None

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

Lead auditor: Mr. João Camargo – Senior Auditor (APSCA RA 21701279)

Team auditor 1: Mr. Luiz Duarte – CSR Auditor (ASCA 21702509)

Team auditor 2: Mr. Mario Correa – CSR Auditor (ASCA 21704058)

Interviewers: Mr. Luiz Duarte – CSR Auditor (ASCA 21702509)

Report writer: Mr. João Camargo – Senior Auditor (APSCA RA 21701279)

Report reviewer: Ms. Gabriela Rocha – Report Reviewer 1

Date of declaration: 08.10.2020

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

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

Summary of Findings

Issue <i>(please click on the issue title to go direct to the appropriate audit results by clause)</i> <i>Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.</i>	Area of Non-Conformity <i>(Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)</i>				Record the number of issues by line*:			Findings <i>(note to auditor, summarise in as few words as possible NCs, Obs and GE)</i>
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None
0B Management systems and code implementation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	2	<p>GEs:</p> <p>1) The Occupational Health and Safety Management is based on a consolidated OHS Policy, which includes a set of structural and behaviour all actions, which offers Grendene employees and partners, safe and healthy environments where respectful relations between people are fostered. The "Yes to Safe Behaviour Program", which under the phrase "I take care of you and you take care of me" which aims to spread the safety culture to all employees, in the company and in their lives. This program consists of 5 pillars with integrated actions that make up the Safe Behaviour Index. They are: Safe Chat (daily chat about behaviours that result in the prevention of accidents and diseases, Walk with the Manager (periodic visits with the main manager of each area, focusing on the identification of prevention opportunities), Safety Inspections (application health and safety check-list in the work sectors) and the</p>

										Resolution Index (compliance with health and safety improvement schedules and action plans). The safe behaviour index is part of the company's management performance indicators. 2) Grendene University: a program aims at the technical and human development of managers and employees in general of the company.
1.	<u>Freely chosen Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None	
2	<u>Freedom of Association</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None	
3	<u>Safety and Hygienic Conditions</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None	
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None	
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None	
6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None	
7	<u>Discrimination</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None	
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None	
8A	<u>Sub-Contracting and Homeworking</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	None	
9	<u>Harsh or Inhumane Treatment</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2	0	0	NCs: 1) grievance channel related to inhumane treatment / harassment is not confidential / anonymous	

										2) absence of a written procedure related to the inhumane treatment / harassment grievance channel
10A	<u>Entitlement to Work</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0		None
10B2	<u>Environment 2-Pillar</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	NA	NA	NA		Not applicable
10B4	<u>Environment 4-Pillar</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0		None
10C	<u>Business Ethics</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2	0	0		NCs: 1) grievance channel related to business ethics is not confidential / anonymous 2) absence of a written procedure related to the business ethics grievance channel

General observations and summary of the site:

- The company started its activities on 1971.
- Facility has some findings related to Grievance Channels (Hash / Inhumane Treatment and Business Ethics. All management stated that will correct the situation as soon as possible. The management accepted the findings and agreed that the audit procedure like tool for continuous improvement.
- The products manufactured at this site are footwear.
- Overall responsibility for meeting the standards is taken by Taisa Sandolli Rossetto / Environmental Specialist.
- There is a total of 13800 employees on site (13675 directs and 125 NEWs).
- The youngest worker on site is 18-year-old.
- There is a union at this factory (Union of Workers in Industries of Footwear of Sobral).
- There is evidence of male and female in management and among supervisor.
- The distribution was: Male 40%, Female 60%.
- The peak occurs in the end of the year (September, October, November).
- 120 workers were selected for interview including 57 male and 63 female employees.
- All workers said they were satisfied with their employment at the factory.
- They also said they were able to make suggestions to their supervisors and team leaders and sometimes they had seen these suggestions used.
- 120 Records to show wages and hours were taken for 3 months from the period October 2019 – September 2020.
- Legal minimum wage was paid to all workers – legal minimum wage is R\$ 1086.83 per month.

- Correct OT rate was paid. Overtime hours performed are compensated in accordance with Collective Agreement defined premiums: +50% (regular working days); +100% (rest days and holidays).

**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 S.A.	
B: Site name:	Grendene Sobral	
C: GPS location: (If available)	GPS Address: Not informed	Latitude: -3.671150 Longitude: -40.345196
D: Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	<p>Fire approval certificate: 256534, which is updated until 11.09.2023.</p> <p>Environmental license: 450/2019, valid until 14.08.2027.</p> <p>Municipal license: 38/2020, valid until 16.01.2022.</p> <p>Federal police license for chemicals – 2020-00559924, valid up to 25.08.2021.</p> <p>Company Health Surveillance License 0867, valid up to 06.02.2022.</p> <p>Catering Health Surveillance License – 3548, valid up to 06.07.2022.</p> <p>Federal Revenue Service - Registration of Corporate Taxpayers: 89.850.341/0001-60.</p>	
E: Products/Activities at site, for example, garment manufacture, electricals, toys, grower, cutting, sewing, packing etc	Manufacturing of footwear.	
F: Site description: (Include size, location, and age of site. Also, include structure and number of buildings)	<p>The company is located in Sobral, State of Ceará, since 1971. Age of building: 1971.</p> <p>Building Area: 218.000 square meters Total Area: 485.000 square meters</p> <p>The company has 8 buildings, with the following details:</p> <ul style="list-style-type: none"> - 5 Production (labels, assembly and packaging / shoe processing / cutting and sewing / metallization / injection / packaging) - 1 Distribution Center - 1 Innovation / Warehouse - 1 Polyvinyl Chloride Production <p>A total of 13800 employees are currently working in the facility, which includes 13675 directly employees (12788 production employees and 887 non-production employees) and 125 agency's employees (Canteen, Security, Drugstore).</p> <p>All of them are local employees.</p> <p>The employees work for 5 days per week, in four shifts:</p> <p>1) Monday to Friday, From 05:15 to 14:53, with 50 minutes for lunchtime. (Production 1st Shift)</p>	

	<p>2) Monday to Friday, From 15:32 to 00:46; with 50 minutes for lunchtime. (Production 2nd Shift) 3) Monday to Friday, From 23:24 to 06:00; with 60 minutes for lunchtime. (Production 3rd Shift) 4) Monday to Friday, From 07:30 to 17:28; with 1h10min for lunchtime (Administrative Shift).</p> <p>Employees' wages are calculated on hourly basis and paid on the day 5 (60%) and on day 20 (40%).</p> <p>The peak occurs in the end of the year (September, October, November).</p> <p>Visible structural integrity is excellent.</p> <p>The site has a structural engineer evaluation.</p>
<p>G: Site function:</p>	<p><input type="checkbox"/> Agent <input checked="" type="checkbox"/> Factory Processing/Manufacturer <input type="checkbox"/> Finished Product Supplier <input type="checkbox"/> Grower <input type="checkbox"/> Homeworker <input type="checkbox"/> Labour Provider <input type="checkbox"/> Pack House <input type="checkbox"/> Primary Producer <input type="checkbox"/> Service Provider <input type="checkbox"/> Sub-Contractor</p>
<p>H: Month(s) of peak season: (if applicable)</p>	<p>September to November</p>
<p>I: Process overview: <i>(Include products being produced, main operations, number of production lines, main equipment used)</i></p>	<p>Receipt of Raw Material / Formulation of Polyvinyl Chloride / Extrusion / Granulation of Polyvinyl Chloride / Injection of uppers and soles / Manufacture of Components / Assembly (Painting / Collages) / Packaging</p>
<p>J: What form of worker representation / union is there on site?</p>	<p><input checked="" type="checkbox"/> Union (Union of Workers in Industries of Footwear of Sobral) <input type="checkbox"/> Worker Committee <input type="checkbox"/> Other (specify) <input type="checkbox"/> None</p>
<p>K: Is there any night production work at the site?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>L: Are there any on site provided worker accommodation buildings e.g. dormitories</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, approx. % of workers in on site accommodation</p>
<p>M: Are there any off site provided worker accommodation buildings</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No M1: If yes, approx. % of workers</p>

N: Were all site-provided accommodation buildings included in this audit		<input type="checkbox"/> Yes <input type="checkbox"/> No N1: If no, please give details NA	
Audit Parameters			
A: Time in and time out	Day 1 Time in: 08:30 Day 1 Time out: 17:30	Day 2 Time in: 08:30 Day 2 Time out: 17:30	Day 3 Time in: 08:30 Day 3 Time out: 17:30
B: Number of auditor days used:	9 (3 auditors x 3 days)		
C: Audit type:	<input checked="" type="checkbox"/> Full Initial <input type="checkbox"/> Periodic <input type="checkbox"/> Full Follow-up <input type="checkbox"/> Partial Follow-Up <input type="checkbox"/> Partial Other If other, please define:		
D: Was the audit announced?	<input type="checkbox"/> Announced <input checked="" type="checkbox"/> Semi – announced: Window detail: 4 weeks <input type="checkbox"/> Unannounced		
E: Was the Sedex SAQ available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: If No, why not?		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please capture detail in appropriate audit by clause		
G: Who signed and agreed CAPR (Name and job title)	Taisa Sandolli Rossetto / Environmental Specialist		
H: Is further information available (If yes, please contact audit company for details)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
I: Previous audit date:	Not applicable		
J: Previous audit type:	Not applicable		
K: Were any previous audits reviewed for this audit	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A		

Audit attendance	Management	Worker Representatives	
	Senior management	Worker Committee representatives	Union representatives
A: Present at the opening meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

B: Present at the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
C: Present at the closing meeting?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: If Worker Representatives were not present please explain reasons why <i>(only complete if no worker reps present)</i>	In Brazil, it is not common for an employee representative to participate in the audit process.		
E: If Union Representatives were not present please explain reasons why: <i>(only complete if no union reps present)</i>	There is no union at this factory.		

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	8401	0	112	0	0	0	0	8513
Worker numbers – female	5274	0	13	0	0	0	0	5287
Total	13675	0	125	0	0	0	0	13800
Number of Workers interviewed – male	47	0	10	0	0	0	0	57
Number of Workers interviewed – female	60	0	3	0	0	0	0	63
Total – interviewed sample size	107	0	13	0	0	0	0	120



A: Nationality of Management	Brazil	
<p>B: Please list the nationalities of all workers, with the three most common nationalities listed first. <i>Please add more nationalities as applicable to site. Add more rows if required.</i></p>	<p>Nationalities: B1: Nationality 1: Brazil B2: Nationality 2: NA B3: Nationality 3: NA</p>	<p>Was the list completed during peak season? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If no, please describe how this may vary during peak periods: There's no variation of workers on peak periods.</p>
C: Please provide more information for the three most common nationalities.	<p>C: approx % total workforce: Nationality 1 100% C1: approx % total workforce: Nationality 2 0% C2: approx % total workforce: Nationality 3 0%</p>	
D: Worker remuneration (management information)	<p>D: 0% workers on piece rate D1: 0% hourly paid workers D2: 100% salaried workers</p> <p>Payment cycle: D3: 0% daily paid D4: 0% weekly paid D5: 0% monthly paid D6: 100% other D7: If other, please give details: Bi-monthly: on day 5 (60%) and on day 20 (40%).</p>	



Worker Interview Summary	
A: Were workers aware of the audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Were workers aware of the code?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Number of group interviews: <i>(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)</i>	14 groups of 5
D: Number of individual interviews <i>(Please see SMETA Best Practice Guidance and Measurement Criteria)</i>	D1: Male: 25 D2: Female: 25
E: All groups of workers are included in the scope of this audit such as; Direct employees, Casual and agency workers, Workers employed by service providers such as security and catering staff as well as workers supplied by other contractors. <i>Note to auditor: please record details of migrant /agency/contractor workers in section 8 – Regular Employment, under Responsible Recruitment</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
G: In general, what was the attitude of the workers towards their workplace?	<input checked="" type="checkbox"/> Favourable <input type="checkbox"/> Non-favourable <input type="checkbox"/> Indifferent
H: What was the most common worker complaint?	None
I: What did the workers like the most about working at this site?	Good environment, Good food
J: Any additional comment(s) regarding interviews:	None
K: Attitude of workers to hours worked:	No complaints.
L. Is there any worker survey information available?	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No L1: If yes, please give details: Not applicable.	
M: Attitude of workers: <i>(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</i>	

During the interview process employees seemed very calm and comfortable; it was noted that they like working at the facility. They said it is an ethical and transparent place, there was not any evidence of misconduct by managers or supervisors. No complaints were made regarding health and safety issues.

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

There is no worker's committee or union representatives at the company.

O: Attitude of managers:

(Include attitude to audit, and audit process. Both positive and negative information should be included)

The managers/supervisors/coordinators were very ethic, honest, kind and transparent during the audit and did not try to persuade the auditor. The documents required by auditor were presented and all information provided by the facility was clear and understandable. Also, they have demonstrated a great intent of continuous improvement.

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: Facility respects the Universal Rights, endorsed by senior management and informed to employees, contractors and suppliers.

No non-conformity was noted.

The employees receive this training at the moment they are hired.

The terms and conditions for employees are stated in the employee handbook and all workers are trained in the grievance procedure.

Facility published a human rights statement on its murals, and a formal training is given to employees during hiring process.

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

Details: The Company presented all the policies and codes that are applied, including regarding human rights, transparency with stakeholders and pointed out the designated responsible of that implementation.

- Interviews with 120 employees to verify the conformity.
- The Company presented all the policies and codes that are applied, including regarding human rights, transparency with stakeholders and pointed out the designated responsible of that implementation.
- Management interviews.
- Employees' Manual
- Internal Rules

Any other comments: All employees stated their rights were respected by facility management.

<p>A: Policy statement that expresses commitment to respect human rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details (mainly applicable for the parent company): Code of Ethics and Discipline</p>
<p>B: Does the business have a designated person responsible for implementing standards concerning Human Rights?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: NA Name: Cristiane Einsfield Job title: Corporate Educational Coordinator</p>
<p>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?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: During the facility tour and interviews with employees it was noted that facility has an email and an ombudsman box to report complaints and suggestions.</p>
<p>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)</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: NA</p>
<p>E: Does the business demonstrate effective data privacy procedures for workers' information, which is implemented?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has an internal confidentiality procedure that describes facility's processes towards confidentiality and data privacy, ensuring this information is not disclosed.</p>

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

Good examples observed:	
<p>Description of Good Example (GE): NA</p>	<p>Objective Evidence Observed: NA</p>

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)	Last year: 2019 ___1,23%__ %	This year: 2020 _____ %
B: Current % quarterly (90 days) turnover: Number of workers leaving from the first day of the 90 days period through to the last day of the 90 day period / [(number of employees on the 1 st day of 90 day period + number of employees on the last day of the 90 day period) / 2]	Not informed	
C: Annual % absenteeism: Number of days lost through job absence in the year / [(number of employees on 1 st day of the year + number employees on the last day of the year) / 2] * number available workdays in the year	Last year: 2019 ___3,02__ %	This year: 2020 ___3,66__ %
D: Quarterly (90 days) % absenteeism: Number of days lost through job absence in the period / [(Number of employees on 1 st of the period + Number of employees on the last day of the period) / 2] * Number of available workdays in the month	5,08	
E: Are accidents recorded?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No E1: Please describe: Recorded by the H&S Team	
F: Annual Number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	Last year: 2019 Number: 0,6187	This year: 2020 Number: 0,3313
G: Quarterly (90 days) number of work related accidents and injuries per 100 workers: [(Number of work related accidents and injuries * 100) / Number of total workers]	0,1656	
H: Lost day work cases per 100 workers: [(Number of lost days due to work accidents and work related injuries * 100) / Number of total workers]	Last year: 2019 0,4396	This year: 2020 0,2592
I: % of workers that work on average more than 48 standard hours / week in the last 6 / 12 months:	I1: 6 months 0% workers	I2: 12 months 0% workers
J: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	J1: 6 months 0% workers	J2: 12 months 0% workers

0B: Management system and Code Implementation

[\(Click here to return to summary of findings\)](#)

- 0.B.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.
- 0.B.2 Suppliers are expected to be operating legally in premises with the correct business licenses and permissions and to have systems to ensure that all relevant land rights have been complied with
- 0.B.3 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.
- 0.B.4 Suppliers are expected to communicate this Code to all employees.
- 0.B.5 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: The organization has implemented and informed to employees the Manual of Integration and the Policy.
 The company has an Ethical Code. The person responsible for the code implementation of the Ethical Code of the company is Cristiane Einsfield, Corporate Educational Coordinator.
 There's a designed responsible for ensuring compliance to ETI code requirements and customers' requirements regarding social compliance/human rights.
 The employees and the managers of the company know the code.
 Facility presented general business and operating licenses.

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

Details: To verify the compliance, the auditor performed interviews with managers and employees and it was noted that facility had a Conduct Code that it is provided for all employees. In this conduct code are included all standards.

Documents reviewed:

- Policy and Procedures Training Records;
- Health and safety Policy;
- Human Resources Policy;
- Integrating employees' Manual;
- Health and Safety Internal Rules.
- Ethic Code of the company.

Any other comments: None.

Management Systems:

A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?

- Yes
- No

Please give details: NA. No fines in last 12 months.

<p>B: Do policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility presented the Code of Conduct and Employees' Manual to verify the Conformity about policies and/or procedures exist that reduce the risk of forced labour, child labour, discrimination, harassment & abuse. There is individual policy for each subject.</p>
<p>C: If Yes, is there evidence (an indication) of effective implementation? Please give details.</p>	<p>Facility has a policies and procedures regarding: Child/forced labor, freedom of association, discrimination, harassment and abuse, working hours and compensation, environment, health and safety and subcontracting. During audit process and interviews no evidences of child/forced labor, discrimination, harassment and abuse were observed.</p>
<p>D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility promotes training on ethics policy and social compliance procedures when hires employees.</p>
<p>E: If Yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Yes, there is a training for all employees – Code of conduct in the hiring for new employees. It was verified attendance lists on this year (2020).</p>
<p>F: Does the site have any internationally recognised system certifications e.g. ISO 9000, 14000, OHSAS 18000, SA8000 (or other social audits). Please detail (Number and date).</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA</p>
<p>G: Is there a Human Resources manager/department? If Yes, please detail.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: facility has a human resources department. Name of Corporate Educational Coordinator: Cristiane Einsfield.</p>
<p>H: Is there a senior person / manager responsible for implementation of the code</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Cristiane Einsfield, Corporate Educational Coordinator, responsible for the Ethical Code of the company.</p>
<p>I: Is there a policy to ensure all worker information is confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Reviewed by the auditor.</p>
<p>J: Is there an effective procedure to ensure confidential information is kept confidential?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Reviewed by the auditor.</p>

<p>K: Are risk assessments conducted to evaluate policy and procedure effectiveness?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Management meetings are held, and internal reports are opened for verification and evaluation and verify corrective action plans and defines responsible for the actions.</p>
<p>L: Does the facility have a process to address issues found when conducting risk assessments, including implementation of controls to reduce identified risks?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Yes, all workers documents have an individual document file and system datafiles protected.</p>
<p>M: Does the facility have a policy/code which require labour standards of its own suppliers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility has a Code of Conduct that requires to all suppliers to follow the same rules.</p>
<p>Land rights</p>	
<p>N: Does the site have all required land rights licenses and permissions (see SMETA Measurement Criteria)?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Municipal License 38/2020, valid until 16/01/2022; Environmental License 450/2019, which is updated until 14.08.2027.</p>
<p>O: Does the site have systems in place to conduct legal due diligence to recognize and apply national laws and practices relating to land title?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility had not been engaged in land acquisition processes in the last 12 months; and has no future plans regarding land acquisition. In cases of land acquisition, the company investigates large areas and good soil, as well as being close to highways to facilitate logistics.</p>
<p>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</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, how does the company obtain FPIC: Facility have Preserved Areas and Property Management procedures.</p>
<p>Q: Is there evidence that facility / site compensated the owner/lessor for the land prior to the facility being built or expanded.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility presented a property contract. Municipal License 38/2020, valid until 16/01/2022; Environmental License 450/2019, which is updated until 14.08.2027.</p>

<p>R. Does the facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The company chose this land because it is inserted in an urban district. No evidences of considering alternatives to specific land acquisition, because facility had not been engaged in land acquisition processes in the last 12 months; and has no future plans regarding land acquisition.</p>
<p>S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Details: No evidences of illegal appropriation of land for facility building or expansion of footprint.</p>

<p style="text-align: center;">Non-compliance:</p>	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement: NA</p> <p>Recommended corrective action: NA</p>	<p>Objective evidence observed: (where relevant please add photo numbers) NA</p>

<p style="text-align: center;">Observation:</p>	
<p>Description of observation: NA</p> <p>Local law or ETI requirement: NA</p> <p>Comments: NA</p>	<p>Objective evidence observed: NA</p>

<p style="text-align: center;">Good Examples observed:</p>	
<p>1. Description of Good Example (GE): The Occupational Health and Safety Management is based on a consolidated OHS Policy, which includes a set of structural and behaviour all actions, which offers Grendene employees and partners, safe and healthy environments where respectful relations between people are fostered. The "Yes to Safe Behaviour Program", which under the phrase "I take care of you and you take care of me" which aims to spread the safety culture to all employees, in the company and in their lives. This program consists of 5 pillars with integrated actions that make up the Safe Behaviour Index. They are: Safe Chat (daily chat about behaviours that result in the prevention of accidents and diseases, Walk with the Manager (periodic visits with the main manager of each area, focusing on the identification of prevention opportunities), Safety Inspections (application health and safety check-list in the work sectors) and the Resolution Index (compliance with health and safety improvement schedules and action plans). The safe behaviour index is part of the company's management performance indicators.</p>	<p>Objective evidence observed: Interview with Management and Employees / Documents Review</p>

2. Description of Good Example (GE): The company maintains “Universidade Grendene” (Grendene University), whose program aims at the technical and human development of managers and employees in general of the company. The programs have some knowledge pillars regarding Business knowledge, Industrial, Leadership and Management, development of new leadership, Emergency solutions and other themes.

1: Freely Chosen Employment

[\(Click here to return to summary of findings\)](#)

ETI

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.

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: Evidenced that the facility complies with the requirements of this clause. Verified during the factory's visit and checked during the interviews with employees, that facility does not allow forced work, bonded or involuntary prison labour.

During hiring process, the company requests copies of employee documents to verify age.

Also verified during the interviews, that worker is not required to lodge deposits or their identity papers with their employer and are free for leave their employer after reasonable notice.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): The auditor verified employment contracts, registration forms, pay slips and timecards. Workers through interviews confirmed that there is no forced, bonded or involuntary labour in place. The employees are free to leave their employer when is necessary with reasonable notice and in the end of their shift. They were not required to lodge any deposit or original identify papers.

Any other comments: none.

A: Is there any evidence of retention of original documents, e.g. passports/ID's	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes please give details and category of workers affected: NA
B: Is there any evidence of a loan scheme in operation	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected: NA
C: Is there any evidence of retention of wages /deposits	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes please give details and category of worker affected : NA
D: Are there any restrictions on workers' freedom to terminate employment?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: NA
E: If any part of the business is UK based or registered there & has a turnover over £36m, is there a published a 'modern day slavery statement'?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: NA <input checked="" type="checkbox"/> Not applicable

<p>F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe finding: NA</p>
<p>G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes please give details and category of workers affected: Facility has internal policy and code of conduct to monitor and prevent all these situations. <input type="checkbox"/> Not applicable</p>
<p>H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe finding: Yes, facility provided internal trainings about their policies to prevent these situations.</p>

<p style="text-align: center;">Non-compliance:</p>	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law: <input type="checkbox"/> NC against customer code: Local law and/or ETI requirement: NA Recommended corrective action: NA</p>	<p>Objective evidence observed: (where relevant please add photo numbers) NA</p>

<p style="text-align: center;">Observation:</p>	
<p>Description of observation: NA Local law or ETI requirement: NA Comments: NA</p>	<p>Objective evidence observed: NA</p>

<p style="text-align: center;">Good Examples observed:</p>	
<p>Description of Good Example (GE): NA</p>	<p>Objective evidence observed: NA</p>

2: Freedom of Association and Right to Collective Bargaining are Respected

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

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:

The facility complies with the requirements of this clause.
 There is no evidence of a workers committee
 There is one set of minutes only
 Employees are associated with unions with annual payment. The union representing the employees is the Union of Workers in Industries of Footwear of Sobral.
 Workers are not discriminated and also according to interviews, company adopts an open attitude towards the activities of trade unions and there is no discrimination.

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

- Details:
- Collective agreement: Minimum wage: R\$ 1086.83 per month. Overtime hours premium: 50% (Mondays to Saturdays); 100% (rest days and holidays).
 - Interview with workers (120 sampled employees)
 - Interview with managers
 - Policy and Procedures Training Records;
 - Health and safety Policy;
 - Human Resources Policy;
 - Health and Safety Internal Rules.

Any other comments: None.

A: What form of worker representation/union is there on site?

- Union (Union of Workers in Industries of Footwear of Sobral)
- Worker Committee
- Other (specify)
- None

B: Is it a legal requirement to have a union?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
C: Is it a legal requirement to have a worker's committee?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
D: Is there any other form of effective worker/management communication channel? (Other than union/worker committee e.g. H&S, sexual harassment)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Describe: Yes, all employees have access for a tool called Integrity line to report any problem that affects human rights or conduct deviations. Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No NA	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Details: The union has all access in the facility and facility provides adequate facilities to allow the Union to conduct related business.	
F: Name of union and union representative, if applicable:	Union of Workers in Industries of Footwear of Sobral	Is there evidence of free elections? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
G: If there is no union, is there a parallel means of consultation with workers e.g. worker committees?	NA	G1: Is there evidence of free elections? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A
H: Are all workers aware of who their representatives are?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	NA
I: Were worker representatives freely elected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	I1: Date of last election: NI
J: Do workers know what topics can be raised with their representatives?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
K: Were worker representatives/union representatives interviewed?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes , please state how many: NA	
L: Please describe any evidence that union/worker's committee is effective? Specify date of last meeting; topics covered; how minutes were communicated etc.	Collective Agreement	
M: Are any workers covered by Collective Bargaining Agreement (CBA)?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

If Yes , what percentage by trade Union/worker representation	100% workers covered by Union CBA	0% workers covered by worker rep CBA
M3: If Yes , does the Collective Bargaining Agreement (CBA) include rates of pay?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

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

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

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

3: Working Conditions are Safe and Hygienic

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

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: During documents review, interviews and factory tour it was noted that facility has good overall conditions regarding occupational health and safety, such as: potable water available for all employees; evacuation plan posted at production area, emergency exit with signs, fire extinguishers available at production area; good conditions and maintenance of electrical safety; chemical products are segregate in an isolated area with a trained employee handling; ambulatory with a medical room, and a doctor to do first aid.

Facility's Safety department is responsible for ensure compliance to legal and customer requirements and a general Health & Safety Policy, including a training program to ensure employees are familiar with internal procedures. It was noted that facility complies with all legal requirements towards health and safety (assessments, training and registers).

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

Details:

- Occupational Health Control Program – Valid until May 1st, 2021 – Responsible: Doctor CRM/CE 7250
- Workplace's Prevention of Risks Plan – Valid until April 1st, 2021 – Responsible: Eng. CREA 039640D/CE
- Occupational Ergonomic Analysis – Issuance date: July 22nd, 2020 – Responsible: Doctor CRM/CE 7250
- Personal Protective Equipment delivery reports (PPE: checked 120 samples accordingly).
- Work related accidents communication and investigation forms, from last 12 months. It was registered 3 accident.
- Internal Commission on Accident Prevention - election on August/2020.
- Fire Brigade Team Training – the last occurred on August 2019 – 20 hours of course (1035 employees).
- MSDS's available;
- Inspection books;

- Annual preventive maintenance schedule per equipment; and corrective maintenance registers for 4 out of 4 sampled machines, addressing date, maintenance service provided, responsible person and conclusive statement.
- Electrical Installations File.
- Fire extinguishers monthly inspection sheets. Last inspection on September 2020.
- Chemical Safety training registers. Last training held on October 2020 (2 hours).
- Forklift operation training registers.
- Policy and Procedures Training Records;
- Health and safety Policy;
- Human Resources Policy;
- Integrating employees' Manual;
- Health and Safety Internal Rules.

Any other comments: none.

<p>A: Does the facility have general and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Yes, facility has Health & Safety and occupational Health & Safety policies and procedures fitting for purpose and are these communicated to workers. All employees received a copy of these policies and training.</p>
<p>B: Are the policies included in workers' manuals?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: All policies regarding Health and Safety are included in the Workers' Manual.</p>
<p>C: Are there any structural additions without required permits/inspections (e.g. floors added)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Please give details: No, no structural additions without required permits/inspections were noted.</p>
<p>D: Are visitors to the site informed on H&S and provided with personal protective equipment</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: All visitors received integration meeting to explain about HS situations and all visitors received the proper PPE.</p>
<p>E: Is a medical room or medical facility provided for workers? If yes, do the room(s) meet legal requirements and is the size/number of rooms suitable for the number of workers.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Details: Yes, it's in accordance with the local law.</p>
<p>F: Is there a doctor or nurse on site or there is easy access to first aider/trained medical aid?</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>

	Please give details: There's a nurse on site.
G: Where the facility provides worker transport - is it fit for purpose, safe, maintained and operated by competent persons e.g. buses and other vehicles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA. The facility does not provide transport.
H: Is secure personal storage space provided for workers in their living space and is fit for purpose?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Yes, Facility provided Secure personal storage space for workers in their living space and is fit for purpose.
I: Are H&S Risk assessments are conducted (including evaluating the arrangements for workers doing overtime e.g. driving after a long shift) and are there controls to reduce identified risk?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Facility presented: <ul style="list-style-type: none"> - Program for Medical Control of Occupational Health; - Workplace's Prevention of Risks Plan; - Occupational Ergonomic Analysis
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Environmental Operation License: 118764-R1, valid up to 30.11.2020. All in compliance.
K: Is the site meeting its customer requirements on environmental standards, including the use of banned chemicals?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Facility does not use banned chemicals in your production process.

Non-compliance:	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement: NA</p> <p>Recommended corrective action: NA</p>	<p>Objective evidence observed: (where relevant please add photo numbers)</p> <p>NA</p>

Observation:	
<p>Description of observation: NA</p> <p>Local law or ETI requirement: NA</p> <p>Comments: NA</p>	<p>Objective evidence observed: NA</p>

Good Examples observed:

Description of Good Example (GE): **NA**

Objective Evidence Observed:
NA

4: Child Labour Shall Not Be Used

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

ETI

- 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.

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:

No evidences of child labour have been found.
 Facility has no young employees. The youngest employee has 18 years old.
 There were no children at facility.
 During the interviews, the auditor verified that no notice of child labour was noted.
 Facility check the age of employee during hiring process.
 The company follows the Brazilian Law which regards recruitment of apprentices.

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

- Details:
- 1-- Code of Conduct;
 - 2 - Policy and Training;
 - 3 - Human Resources Policy;
 - 4 – Policy of Child Labor Remediation
 - 5 - Interviews with employees

Any other comments: None.

A: Legal age of employment:

Legal minimum: It is prohibited any work for minors less than sixteen (16) years old, except as apprentices, from the age of fourteen (14) years old. (Brazilian Labor Law, article 403). Under 18 years old is forbidden work on the night shifts, dangerous or unhealthy. (Brazilian Labor Law, articles 404 and 405).

B: Age of youngest worker found:	18 years old.
C: Are there children present on the work floor but not working at the time of audit?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
D: % of under 18's at this site (of total workers)	0%
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 – Health and Safety)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details: NA

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

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

Good Examples observed:	
Description of Good Example (GE): NA	Objective Evidence Observed: NA

5: Living Wages are Paid

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key information\)](#)

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:

- During this audit it was noted that in general terms company pays all rights to employees properly.
- It was confirmed during the employee's interviews and documents check that all workers are 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.
- There were no evidences of deductions from wages as a disciplinary measure. During documents check and management interviews no non-conformities were noted related to this topic.
- The local legal minimum wage was BRL 1086.83 per month.
- All workers' wages were calculated by hourly and monthly rate. The minimum wage paid by the factory was BLR 1086.83 per month according to the wage records, and the majority of workers receive more than minimum wage.
- The wages office was well organised with a good controlled set of processes which are understood by all employees.
- All workers are 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.
- Document review of payroll and employee wage records showed that 100% of workers had social insurance deducted and paid for pension, unemployment, maternity, sickness and injury. All workers had deductions made for injury insurance and personal income tax.
- Benefits of paid, annual leave, was given to all workers and child-bearing leave to appropriate workers.
- All social insurance payments were passed on to the relevant authorities in a timely manner.
- All workers were paid on the day 5 (60%) and on the day 20 of each month (40%) by bank transfer and each worker signed for their wages.

The auditor could evidence during the 120 interviews and documents check that all employees receive at least the minimum established by the Collective Agreement, which is higher than the minimum set by the Brazilian Government. The workers sign an employment contract with all information about the job and receive written information every month about the payment including all deductions that are in accordance with national legislation.

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

Details:

- Certificate of debts related to federal taxes credits and to active debts of the Union (Federal Government) valid until March 13, 2021.
- Compliance Certificate of the Severance Pay Indemnity Fund valid until October 13, 2020.
- Labour Ministry Inspection Book, with the last inspection held on January 09, 2017.
- Payslips; from 120 employees of following months: September/2020, July/2020, February/2020.
- Time records; from 120 employees of following months: September/2020, July/2020, February/2020.
- Collective Agreement Bargain;
- Employees' interviews;
- Policy and Procedures Training Records;
- Human Resources Policy;

Any other comments: None.

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI requirement: NA

Recommended corrective action: NA

Objective evidence observed:

(where relevant please add photo numbers)

NA

Observation:

Description of observation: NA

Local law or ETI requirement: NA

Comments: NA

Objective evidence observed: NA

Good Examples observed:

Description of Good Example (GE): **NA**

Objective Evidence Observed: NA

Summary Information

Criteria	Local Law <i>(Please state legal requirement)</i>	Actual at the Site <i>(Record site results against the law)</i>	Is this part of a Collective Bargaining Agreement?
A: Standard/Contracted work hours: <i>(Maximum legal and actual required working hours excluding overtime, please state if possible per day, week, and month)</i>	Legal maximum: 44 hours per week (Brazilian Labor Law, article 59).	44 hours per week (Brazilian Labor Law, article 59).	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
B: Overtime hours: <i>(Maximum legal and actual overtime hours, please state if possible per day, week, and month)</i>	Legal maximum: 2 hours per day (Brazilian Labor Law, article 59).	Until 7 hours per day.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Wage for standard/contracted hours: <i>(Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: R\$ 1086.83 per month	R\$ 1086.83 per month	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
D: Overtime wage: <i>(Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month)</i>	Legal minimum: Plus 50 % (normal hour) for overtime performed on week days and plus 100% (normal hour) for overtime performed on rest days and holidays.	Plus: 50 % (normal hour) for overtime performed on week days and plus 100 % (normal hour) for overtime performed during rest and holidays.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Wages analysis: <i>(Click here to return to Key Information)</i>	
A: Were accurate records shown at the first request?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
A1: If No , why not?	NA
B: Sample Size Checked <i>(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)</i>	120 employee's payrolls from September/2020 120 employee's payrolls from July/2020 120 employee's payrolls from February/2020 The peak occurs in the end of the year (September, October, November).
C: Are there different legal minimum wage grades? If Yes , please specify all.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No C1: If Yes , please give details: NA

<p>D: If there are different legal minimum grades, are all workers graded and paid correctly?</p>	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A	<p>D1: If No, please give details: NA</p>	
<p>E: For the lowest paid production workers, are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?</p>	<input type="checkbox"/> Below legal min <input checked="" type="checkbox"/> Meet <input type="checkbox"/> Above	<p>E1: Lowest actual wages found: <i>Note: full time employees and please state hour / week / month etc.</i> BRL R\$ 1086.83 per month</p>	
<p>F: Please indicate the breakdown of workforce per earnings:</p>	<p>F1: 0% of workforce earning under minimum wage F2: 10% of workforce earning minimum wage F3: 90% of workforce earning above minimum wage</p>		
<p>G: Bonus Scheme found: Please specify details:</p>	<p>Bonus Scheme found: None. <i>Note: full time employees and please state hour / week / month etc.</i></p>		
<p>H: What deductions are required by law e.g. social insurance? Please state all types:</p>	<p>INSS (National Institute of Social Security), transport and meals, in accordance with law.</p>		
<p>I: Have these deductions been made?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<p>I1: Please list all deductions that have been made.</p>	<p>1. Social Security 2. Transport 3. Meals Please describe: NA</p>
		<p>I2: Please list all deductions that have not been made.</p>	<p>1. 2. Please describe: NA</p>
<p>J: Were appropriate records available to verify hours of work and wages?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<p>K: Were any inconsistencies found? (if yes describe nature)</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<p>K1: Type</p> <input type="checkbox"/> Poor record keeping <input type="checkbox"/> Isolated incident <input type="checkbox"/> Repeated occurrence:	
<p>L: Do records reflect all time worked? (For instance, are workers asked to attend meetings before or after work but not paid for their time)</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No L1: Please give details: Reflect all worked time.		
<p>M: Is there a defined living wage: <i>This is <u>not normally</u> minimum legal wage. If answered yes, please state amount and source of info: Please see SMETA Best Practice Guidance and Measurement Criteria.</i></p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please specify amount/time: NA		

<p>M2: If yes, what was the calculation method used.</p>	<p> <input type="checkbox"/> ISEAL/Anker Benchmarks <input type="checkbox"/> Asia Floor Wage <input type="checkbox"/> Figures provided by Unions <input type="checkbox"/> Living Wage Foundation UK <input type="checkbox"/> Fair Wear Wage Ladder <input type="checkbox"/> Fairtrade Foundation Other – please give details: NA </p>
<p>N: Are there periodic reviews of wages? If Yes give details (include whether there is consideration to basic needs of workers plus discretionary income).</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: periodic reviews of wages occur during the annual revision of Collective Bargain Agreement / Brazilian labor law. </p>
<p>O: Are workers paid in a timely manner in line with local law?</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No </p>
<p>P: Is there evidence that equal rates are being paid for equal work:</p>	<p> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: During documents check and employees interviews it was noted that equal rates are being paid for equal work. Employees salary is calculated in accordance with facility's wages policy, considering job position, activities performed and other evaluations. </p>
<p>Q: How are workers paid:</p>	<p> <input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input checked="" type="checkbox"/> Bank Transfer <input type="checkbox"/> Other If other, please explain: NA </p>

6: Working Hours are not Excessive

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

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.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.

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:

- Facility has an accurate system to control the working hours.
- During the interviews, the auditor could verify that although overtime hours were performed sometimes, employees perform overtime hours voluntarily and it is also paid as determined by the Collective Bargaining Agreement.
- It was checked time records from 120 employees. The time record is controlled through electronic timecard. It was verified that employees who performed overtime hours received the correct wage.
- Through employees' interview, overtime is voluntary.
- The factory provided hours and wages records from October 2019 to September 2020.
- According to time records and worker interview basic working hours were 08:00 hours per day and a max 44 hours per week with no more than 2 hours overtime per day sometimes on weekdays and some overtime on rest days.

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

Details:

Payslips and time records:

- 120 employee's payrolls from September 2020;
- 120 employee's payrolls from July 2020;
- 120 employee's payrolls from February 2020;
- Collective Bargain Agreement;
- Brazilian Labor law;
- Certificate of debts related to federal taxes credits and to active debts of the Union (Federal Government).
- Compliance Certificate of the Severance Pay Indemnity Fund.
- Labour Ministry Inspection Book.

Any other comments: None.

Non-compliance:

1. Description of non-compliance:

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

Local law and/or ETI requirement: NA

Recommended corrective action: NA

Objective evidence observed:

(where relevant please add photo numbers)

NA

Observation:

Description of observation: NA

Local law or ETI requirement: NA

Comments: NA

Objective evidence observed:

NA

Good Examples observed:

Description of Good Example (GE): **NA**

Objective Evidence Observed: NA

Working hours' analysis

Please include time e.g. hour/week/month

<i>(Go back to Key information)</i>					
Systems & Processes					
A. What timekeeping systems are used: time card etc.	Describe: <i>Electronic System</i>				
B: Is sample size same as in wages section?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If no, please give details: NA</i>				
C: Are standard/contracted working hours defined in all contracts/employment agreements?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<i>C1: If NO, please give details including % and which type of workers do NOT have standard hours defined in contracts/employment agreements. Please give details:</i>			
D: Are there any other types of contracts/employment agreements used?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>D1: If YES, please complete as appropriate:</i>			
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time	<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
		If "Other", Please define:			
		NA			
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<i>E1: If yes, please detail hours, %, types of workers affected and frequency. Please give details: NA</i>			
F: Are workers provided with at least 1 day off in every 7-day-period, or 2 in 14-day-period?	F2: Please select all applicable: <input checked="" type="checkbox"/> 1 in 7 days <input type="checkbox"/> 2 in 14 days <input type="checkbox"/> No If 'No', please explain: NA	F3: Is this allowed by local law? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
		Maximum number of days worked without a day off (in sample):			
		6			
Standard/Contracted Hours worked					
	<input type="checkbox"/> Yes	G1: If yes, % of workers & frequency:			

G: Were standard working hours over 48 hours per week found?	<input checked="" type="checkbox"/> No	NA
H: Any local waivers/local law or permissions which allow averaging/annualised hours for this site?	<input type="checkbox"/> Yes	H1: If yes, please give details:
	<input checked="" type="checkbox"/> No	NA
Overtime Hours worked		
I: Actual overtime hours worked in sample (State per day/week/month)	7h in a rest day.	
J: Combined hours (standard or contracted + overtime hours = total) over 60 found? Please give details:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
K: Approximate percentage of total workers on highest overtime hours:	10%	
L: Is overtime voluntary?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Conflicting Information	L1: Please detail evidence e.g. Wording of contract / employment agreement / handbook / worker interviews / refusal arrangements: NA
Overtime Premiums		
M: Are the correct legal overtime premiums paid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A – there is no legal requirement to OT premium	M1: Please give details of normal day overtime premium as a % of standard wages:
N: Is overtime paid at a premium?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	N1: If yes, please describe % of workers & frequency: Plus 50 % (normal hour) for overtime performed on week days and plus 100 % (normal hour) for overtime performed during rest and holidays. Paid monthly.
O: If the site pays less than 125% OT premium and this is allowed under local law, are there other considerations? Please	<input type="checkbox"/> No <input type="checkbox"/> Consolidated pay (May be standard wages above minimum legal wage, with no/low overtime premium) <input type="checkbox"/> Collective Bargaining agreements <input type="checkbox"/> Other	

<p>complete the boxes where relevant.</p>	<p>O1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or Other</p>
<p>P: If more than 60 total hours per week and this is legally allowed, are there other considerations? Please complete the boxes where relevant.</p>	<p>NA</p> <p><input type="checkbox"/> Overtime is voluntary</p> <p><input type="checkbox"/> Onsite Collective bargaining allows 60+ hours/week</p> <p><input type="checkbox"/> Safeguards are in place to protect worker's health and safety</p> <p><input type="checkbox"/> Site can demonstrate exceptional circumstances</p> <p><input type="checkbox"/> Other reasons (please specify)</p> <p>P1: Please explain any checked boxes above e.g. detail of consolidated pay / CBA or other:</p> <p>NA</p>
<p>Q: Is there evidence that overtime hours are being used for extended periods to make up for labour shortages or increased order volumes?</p>	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>Q1: If yes, please give details:</p>
<p>R: If sufficient workers cannot be hired, are new working time arrangements explored to ensure that overtime is the exception rather than the rule.</p>	<p><input type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>NA</p>

7: No Discrimination is Practiced

[\(Click here to return to summary of findings\)](#)

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:

- During facility tour and interviews it was noted that employees and manager respect each other and the differences among them, also became evident that employees have a good work environment and receive equal treatment and the same work conditions as well.
- As informed by interviewed workers, most employees spoke highly well of the factory managers.
- No worker was required to do the examination of the hepatitis B virus and HIV.
- Anti-discrimination procedure on hiring, compensation, promotion and access to training were available during the audit.
- Gender divisions did not exist in the factory; both female and male workers were distributed in all types of work.
- There was no evidence of sexual harassment.
- Facility have a confidential channel and e-mail to employees report any unethical situations.

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

Details:

- 1-Employees' interviews; (120 employees sampled)
- 2 -Policy and Training;
- 3 -Human Resources Policy;
- 4 – Code of Conduct.

Any other comments: None.

A: Gender breakdown of Management + Supervisors (Include as one combined group)	Male: 40 % Female: 60 %
B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst:	# 0
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability,	<input type="checkbox"/> Hiring <input type="checkbox"/> Compensation <input type="checkbox"/> Access to training <input type="checkbox"/> Promotion

gender, marital status, sexual orientation, union membership or political affiliation?:	<input type="checkbox"/> Termination or retirement <input checked="" type="checkbox"/> No evidence of discrimination found C1: Please give details: NA
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Professional Development

A: What type of training and development are available for workers?	Machine operation, PPE usage and conservation, chemicals safe handling, firefighting and first aid measures, Internal Commission on Accident Prevention, Fire Brigade.
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B: Are HR decisions e.g. promotion, training, compensation based on objective, transparent criteria?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: NA
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Non-compliance:	
1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code: Local law and/or ETI requirement: NA Recommended corrective action: NA	Objective evidence observed: (where relevant please add photo numbers) NA

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

Good Examples observed:	
Description of Good Example (GE): NA	Objective Evidence Observed: NA

8: Regular Employment Is Provided

[\(Click here to return to summary of findings\)](#)

[\(Click here to return to Key Information\)](#)

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 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:

Reviewed the contracts and terms of all sampled employees.

There's a labour agency used to hire workers, but the company hires employees directly too.

No temporary worker, or home worker was identified by the auditors.

No subcontractors were used.

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

Details:

1- Labor contracts; (120 sampled employees)

2-Certificate of debts related to federal taxes credits and to active debts of the Union (Federal Government).

3-Compliance Certificate of the Severance Pay Indemnity Fund.

Any other comments: None.

Non-compliance:

<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI requirement: NA</p> <p>Recommended corrective action: NA</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i> NA</p>
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Observation:	
<p>Description of observation: NA</p> <p>Local law or ETI requirement: NA</p> <p>Comments: NA</p>	<p>Objective evidence observed: NA</p>

Good Examples observed:	
<p>Description of Good Example (GE): NA</p>	<p>Objective Evidence Observed: NA</p>

Responsible Recruitment

All Workers	
<p>A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they same as current conditions?</p>	<p><input checked="" type="checkbox"/> Terms & Conditions presented <input checked="" type="checkbox"/> Understood by workers <input checked="" type="checkbox"/> Same as actual conditions</p> <p>If any are unchecked, please describe finding and specific category(ies) of workers affected: NA</p>
<p>B: Did workers' pay any fees, taxes, deposits or bonds for the purpose of recruitment/placement?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If Yes Please describe details and specific category(ies) of workers affected: NA</p>

C: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other – C1: If other, please give details: NA
D: If any checked, give details:	NA

Migrant Workers:	
<i>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</i>	
A: Type of work undertaken by migrant workers:	NA
B: Please give details about recruitment agencies for migrant workers:	B1: Total number of (in country recruitment agencies) used: 0 B2: 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?	<input type="checkbox"/> Yes <input type="checkbox"/> No C1: Please describe finding: NA C2: Observations: NA
D: Are Any migrant workers in skilled, technical, or management roles <i>Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If yes, number and example of roles:

NON-EMPLOYEE WORKERS

Recruitment Fees:	
A: Are there any fees?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
B: If yes, check all that apply:	<input type="checkbox"/> Recruitment / hiring fees <input type="checkbox"/> Service fees <input type="checkbox"/> Application costs <input type="checkbox"/> Recommendation fees <input type="checkbox"/> Placement fees <input type="checkbox"/> Administrative, overhead or processing fees <input type="checkbox"/> Skills tests <input type="checkbox"/> Certifications <input type="checkbox"/> Medical screenings <input type="checkbox"/> Passports/ID's <input type="checkbox"/> Work / resident permits <input type="checkbox"/> Birth certificates <input type="checkbox"/> Police clearance fees <input type="checkbox"/> Any transportation and lodging costs after employment offer <input type="checkbox"/> Any transport costs between work place and home <input type="checkbox"/> Any relocation costs after commencement of employment <input type="checkbox"/> New hire training / orientation fees <input type="checkbox"/> Medical exam fees <input type="checkbox"/> Deposit bonds or other deposits <input type="checkbox"/> Any other non-monetary assets <input type="checkbox"/> Other B1 – If other, please give details: NA
C: If any checked, give details:	NA

Agency Workers (if applicable) <i>(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.)</i>	
A: Number of agencies used (average):	Names if available: There're 2 agencies in the company: 1) Nutrinor = 121 workers = Canteen 2) Corpvs = 4 workers = Security
B: Were agency workers' age / pay / hours included within the scope of this audit?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
C: Were sufficient documents for agency workers available for review?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
D: Is there a legal contract / agreement with all agencies?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There're contracts with the agencies.

<p>E: Does the site have a system for checking labour standards of agencies? If yes, please give details.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please give details: Periodical documents review.</p>
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<p style="text-align: center;">Contractors:</p> <p style="text-align: center;"><i>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,</i></p>	
<p>A: Any contractors on site?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>A1: If yes, how many contractors are present, please give details:</p>
<p>B: If Yes, how many workers supplied by contractors?</p>	<p>NA</p>
<p>C: Do all contractor workers understand their terms of employment?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>C1: Please describe finding: NA</p>
<p>D: If Yes, please give evidence for contractor workers being paid per law:</p>	<p>NA</p>

8A: Sub-Contracting and Homeworking
[\(Click here to return to summary of findings\)](#)
[\(Click here to return to Key Information\)](#)

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.
Note to auditor on homeworking:
 Report on whether it is direct or via agents. How many workers, relationship with site and what control systems are in place.
Note to auditor on subcontracting: auditor should use this section for subcontractors of part made or wholly made finished goods, this section should not be used for raw material manufacturers unless instructed otherwise by customers

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: Not applicable. No evidences of sub-contracting and home working. During documents check and interviews with employees and manager, the auditor could verify that the facility has no home-working or sub-contracting of any part of its production.

Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): Facility does not subcontract and no external processing was detected. It was verified during site tour, production records and invoice receipts from last 12 months.

Details: NA

Non-compliance:

1. Description of non-compliance:

- NC against ETI/Additional Elements NC against Local Law
 NC against customer code:

Local law and/or ETI /Additional Elements requirement: NA

Recommended corrective action: NA

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

Observation:

Description of observation: NA

Local law or ETI/Additional elements requirement: NA

Comments: NA

Objective evidence observed:
NA

Good Examples observed:

Description of Good Example (GE): NA	Objective Evidence Observed: NA
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Summary of sub-contracting – if applicable	
<input checked="" type="checkbox"/> Not Applicable please x	
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	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: Please describe:
B: If sub-contractors are used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No B1: If Yes , summarise details:
C: Number of sub-contractors/agents used:	
D: Is there a site policy on sub-contracting?	<input type="checkbox"/> Yes <input type="checkbox"/> No D1: If Yes , summarise details:
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 please x			
A: If homeworking is being used, is there evidence this has been agreed with the main client?	<input type="checkbox"/> Yes <input type="checkbox"/> No A1: If Yes , summarise details:		
B: Number of homeworkers	B1: Male:	B2: Female:	Total:
C: Are homeworkers employed direct or through agents?	<input type="checkbox"/> Directly <input type="checkbox"/> Through Agents		C1: If through agents, number of agents:
D: Is there a site policy on homeworking?	<input type="checkbox"/> Yes <input type="checkbox"/> No		
E: How does the site ensure worker hours and pay meet local laws for homeworkers?			

<p>F: What processes are carried out by homeworkers?</p>	
<p>G: Do any contracts exist for homeworkers?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>G1: Please give details:</p>
<p>H: Are full records of homeworkers available at the site?</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

9: No Harsh or Inhumane Treatment is Allowed
[\(Click here to return to summary of findings\)](#)

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

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 3 rd party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please describe: Facility has a grievance policy, composed by a direct channel which HR Sector, where the employees can report grievance and suggestion.
B: If Yes , are workers aware of these channels and have access? Please give details.	All employees stated that knows about the communication channels at facility.
C: If yes, what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details.	Direct channel which HR Sector.
D: Which of the following groups is there a grievance mechanism in place for?	<input checked="" type="checkbox"/> Workers <input type="checkbox"/> Communities <input type="checkbox"/> Suppliers <input type="checkbox"/> Other D1: Please give details: Direct channel which HR Sector.
E: Are there any open disputes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No E1: If yes, please give details
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. helplines or whistle blowing mechanism)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: NA
G: Is there a published and transparent disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please explain: NA
H: If yes, are workers aware of these the disciplinary procedure?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please give details: NA

<p>I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, please give details: NA</p>
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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: During interviews, it was noted that no harsh or inhumane treatment is practiced. Employees stated that the relationship among all employees and managers is good.

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

Details:
 1- Interview with the employees;
 2 – Facility tour;
 3 – Code of Conduct.

Any other comments: None.

Non-compliance:

<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Auditor noted that the company has a grievance channel related to inhumane treatment / harassment, however it is not confidential / anonymous.</p> <p>Local law and/or ETI requirement: ETI 9.2 companies should provide access to a confidential grievance mechanism for all workers.</p> <p>Recommended corrective action: Please ensure that the grievance channel related to inhumane treatment / harassment is anonymous.</p> <p>Timescale: 60 days</p> <p>Verification Method: Desktop</p> <p>Person Responsible: Taisa Rossetto / Environmental Specialist</p>	<p>Objective evidence observed:</p> <p>Interview with employees and documents review</p>
<p>2. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer code:</p> <p>Auditor noted the absence of a written procedure related to the inhumane treatment / harassment grievance channel found in the company.</p>	

<p>Local law and/or ETI requirement: ETI 9.2 companies should provide access to a confidential grievance mechanism for all workers.</p> <p>Recommended corrective action: Facility should provide a written procedure regarding harsh/inhumane treatment grievance channel.</p> <p>Timescale: 60 days</p> <p>Verification Method: Desktop</p> <p>Person Responsible: Taisa Rossetto / Environmental Specialist</p>	
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Observation:	
<p>Description of observation: NA</p> <p>Local law or ETI requirement: NA</p> <p>Comments: NA</p>	<p>Objective evidence observed: NA</p>

Good Examples observed:	
<p>Description of Good Example (GE): NA</p>	<p>Objective Evidence Observed: NA</p>

10. Other Issue areas: 10A: Entitlement to Work and Immigration <i>(Click here to return to NC-table)</i>
Additional Elements
<p>10A.1 Only workers with a legal right to work shall be employed or used by the supplier.</p> <p>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>

Current Systems and Evidence Examined
<p><i>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.</i></p>
<p>Current systems: It was noted that facility's hiring and recruiting practices are in accordance with legal and ETI Code requirements. Only employees with legal right to work are employed (no migrant employees). Facility has a recruitment and hiring procedure that ensure HR department will survey and validate original documentation of job applicants to ensure legal entitlement to work. Facility maintains copies of personal ID and documents to evidence compliance.</p> <p>Evidence examined – to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p>

Details:
 1- The procedure to recruit workers;
 2 - Worker's interviews;
 3 - Worker's rights policy.

Any other comments: None.

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

Observation:	
Description of observation: NA Local law or ETI/Additional Elements requirement: NA Comments: NA	Objective evidence observed: NA

Good examples observed:	
Description of Good Example (GE): NA	Objective Evidence Observed: NA

10. Other issue areas 10B4: Environment 4–Pillar
[\(Click here to return to summary of findings\)](#)
To be completed for a 4–Pillar SMETA Audit and remove the previous page which is 10B2 environment 2 pillar

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:

The factory management maintained all legally required environmental documents in place which proved that the production of the factory is in compliance with the related environmental regulations. All of the legally required certificates including the registration form of environmental impacts of the construction, Approval of environmental impact assessment document and the environmental protection check and acceptance were available and valid during this audit. The annual monitoring report for waste air and water showed the pollutant discharging was compliance with environmental law. Based on observation on site, wastes were classified and collected on site. Based on worker's interview, they were trained on environmental protection.

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

Details:

- Operational License: 450/2019, valid up to 14.08.2027.
- Federal Technical Register of Potentially Pollutant Activities Regularity Certificate submitted.
- Waste Residue Transportation Permit;
- Drinking water Analysis – issued monthly
- Solid Waste Management Plan, in accordance with legal requirements.
- Employees' interviews;
- Procedures and Training Records;
- Integrating employees' Manual;

Any other comments: None.

Non-compliance:

<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local</p> <p><input type="checkbox"/> NC against customer code:</p> <p>Local law and/or ETI/Additional Elements requirement: NA</p> <p>Recommended corrective action: NA</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p> <p>NA</p>
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Observation:	
<p>Description of observation: NA</p> <p>Local law or ETI/Additional elements requirements: NA</p> <p>Comments: NA</p>	<p>Objective evidence observed:</p> <p>NA</p>

Good examples observed:	
<p>Description of Good Example (GE): NA</p>	<p>Objective Evidence Observed:</p> <p>NA</p>

Environmental Analysis <i>(Site declaration only – this has not been verified by auditor. Please state units in all cases below.)</i>	
A: Is there a manager responsible for Environmental issues (Name and Position):	Taisa Rossetto / Environmental Specialist
B: Has the site conducted a risk assessment on the environmental impact of the site, including implementation of controls to reduce identified risks?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The company conducted a risk assessment in 2020 and maintain a regular control with records since that date.
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent? Please give details.	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please give details: NA
D: Does the site have an Environmental policy? <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, is it publicly available? Yes.
E: If yes, does it address the key impacts from their operations and their commitment to improvement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Reviewed by the auditor.
F: Does the site have a Biodiversity policy? <i>(For guidance, please see Measurement criteria)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? Please give details. <i>(For guidance, please see Measurement criteria)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: The facility has FSC N003114 valid until March 24,2021.
H: Have all legally required permits been shown? Please give details.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Environmental License n. 450/2019, valid up to 14.08.2027.
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Please give details: Chemical Inventory.
J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Chemical and Environmental Policies and Inventory.
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: They have a target to reduce consumption of energy and waste in relation to the previous year.
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

	Please give details: Auditor reviewed documents about this situation and they are in accordance with the local law.	
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Auditor reviewed documents about this situation and they are in accordance with the local law.	
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	<input type="checkbox"/> Yes <input type="checkbox"/> No Please give details: NA. There's no subcontractors.	
Usage/Discharge analysis		
Criteria	Previous year: Please state period: mai/18-abr/19	Current Year: Please state period: mai/19-abr/20
Electricity Usage: <i>Kw/hrs</i>	83,305,692 kWh	69,534,059 kWh
Renewable Energy Usage: <i>Kw/hrs</i>	70,309,978 kWh	58,713,744 kWh
Gas Usage: <i>Kw/hrs</i>	2,443,434 kWh	1,786,083 kWh
Has site completed any carbon Footprint Analysis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If Yes , please state result	10,937.231 tCO ₂ e	10,029.280 tCO ₂ e
Water Sources: <i>Please list all sources e.g. lake, river, and local water authority.</i>	Sobral Autonomous Water and Sewage Service (SAAE)	Sobral Autonomous Water and Sewage Service (SAAE)
Water Volume Used: <i>(m³)</i>	196,109 m ³	183,953 m ³
Water Discharged: <i>Please list all receiving waters/recipients.</i>	No wastewater is released into the sewer network. The wastewater goes to one Wastewater Treatment Plant (WTP), where it is treated. In the site there are 2 WTP. The	No wastewater is released into the sewer network. The wastewater goes to one Wastewater Treatment Plant (WTP), where it is treated. In the site there are 2 WTP.

	treated wastewater is (re)used in irrigation and toilets flushing.	The treated wastewater is (re)used in irrigation and toilets flushing.
Water Volume Discharged: (m ³)	129,608.00 m ³	94,698.00 m ³
Water Volume Recycled: (m ³)	129,608.00 m ³	94,698.00 m ³
Total waste Produced (please state units)	27,080,041 Kg	24,161,304 Kg
Total hazardous waste Produced: (please state units)	2,250,234 Kg	489,954 Kg
Waste to Recycling: (please state units)	24,250,514 Kg	22,894,049 Kg
Waste to Landfill: (please state units)	578,081 Kg	704,591 Kg
Waste to other: (please give details and state units)	NA	NA
Total Product Produced (please state units)	142,087,910 shoes pairs	120,578,725 shoes pairs

10C: Business Ethics – 4-Pillar Audit

[\(Click here to return to summary of findings\)](#)

To be completed for a 4-Pillar SMETA Audit

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:

Based on management interview the factory was familiar with national regulations/laws concerning business integrity standards.

Business integrity policy was established in the whole factory and communicated to all Employees by Employee Manual and regular training.

Each employee would get one Employee Manual when come into the factory.

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

Details:

- Management Interview
- Documents Review
- Factory Tour

Any other comments: None.

Non-compliance:	
<p>1. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local <input type="checkbox"/> NC against customer code:</p> <p>Auditor noted that the company has a grievance channel related to business ethics, however it is not confidential / anonymous.</p> <p>Local law and/or ETI requirement: ETI 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>Recommended corrective action: Please ensure that the grievance related to business ethics channel is anonymous.</p> <p>Timescale: 30 days</p> <p>Verification Method: Follow-Up</p> <p>Person Responsible: Taisa Rossetto / Environmental Specialist</p> <p>2. Description of non-compliance: <input checked="" type="checkbox"/> NC against ETI/Additional Elements <input type="checkbox"/> NC against Local <input type="checkbox"/> NC against customer code:</p> <p>Auditor noted the absence of a written procedure related to the business ethics grievance channel found in the company.</p> <p>Local law and/or ETI requirement: ETI 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>Recommended corrective action: Facility should provide a written procedure regarding related to the business ethics grievance channel.</p> <p>Timescale: 30 days</p> <p>Verification Method: Follow-Up</p> <p>Person Responsible: Taisa Rossetto / Environmental Specialist</p>	<p>Objective evidence observed: <i>(where relevant please add photo numbers)</i></p> <p>Interview with Management and Documents Review</p>

Observation	
<p>Description of observation: NA</p> <p>Local law or ETI/Additional elements requirement: NA</p> <p>Comments: NA</p>	<p>Objective evidence observed: NA</p>

Good examples observed:	
Description of Good Example (GE): NA	Objective Evidence Observed: NA

A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally, externally or both, as appropriate?	<input checked="" type="checkbox"/> Internal Policy <input checked="" type="checkbox"/> Policy for third parties including suppliers Please give details: Reviewed by the auditor, in accordance with the SEDEX requirements.
B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Records reviewed by the auditor. Annual trainings.
C: Is the policy updated on a regular (as needed) basis?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: There's an annual update/review.
D: Does the site require third parties including suppliers to complete their own business ethics training	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Please give details: Reviewed by the auditor. All suppliers must sign the attendance list for future evidences.

Other findings

Other Findings Outside the Scope of the Code

None.

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)

None.

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><input checked="" type="checkbox"/> Not Applicable please x</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>
ETI Code / Additional Elements	Customer's Supplier Code equivalent
0.A. Universal Rights covering UNGP	0.A. Universal Rights covering UNGP
<p>0.A. Guidance for Observations</p> <p>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.</p> <p>0.A.2 Businesses should have a designated person responsible for implementing standards concerning Human rights</p> <p>0.A.3 Businesses shall identify their stakeholders and salient issues.</p> <p>0.A.4 Businesses shall measure their direct, indirect, and potential impacts on stakeholders (rights holders) human rights.</p> <p>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>	
0.B. Management Systems & Code Implementation	0.B. Management Systems & Code Implementation
<p>0.1 Suppliers are expected to implement and maintain systems for delivering compliance to this Code.</p>	

<p>0.2 Suppliers shall appoint a senior member of management who shall be responsible for compliance with the Code.</p> <p>0.3 Suppliers are expected to communicate this Code to all employees.</p> <p>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>ETI 1. Forced Labour</p>	<p>ETI 1. Forced Labour</p>
<p>1.1 There is no forced, bonded or involuntary prison labour.</p> <p>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>ETI 2. Freedom of association and the right to collective bargaining are respected</p>	<p>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.</p> <p>2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</p> <p>2.3 Workers' representatives are not discriminated against and have access to 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>ETI 3. Working conditions are safe and hygienic</p>	<p>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 & 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 & Safety to a senior management representative.</p>	
<p>ETI 4. Child labour shall not be used</p>	<p>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 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>ETI 5. Living wages are paid</p>	<p>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>ETI 6. Working Hours are not excessive</p>	<p>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"> - 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. <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>ETI 7. No discrimination is practised</p>	<p>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>ETI 8. Regular employment is provided</p>	<p>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</p>	

<p>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 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 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.</p>	
<p>8A: Sub-Contracting and Homeworking</p>	<p>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>ETI 9. No harsh or inhumane treatment is allowed</p>	<p>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>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>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. <i>Note for auditors and readers, this is not a full environmental assessment but a check on basic systems and management approach.</i></p>	
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SMETA Extra Sections for 4 Pillar Audit:	SMETA Extra Sections for 4 Pillar Audit:
<p>Environment Section</p>	<p>Environment Section</p>
<p>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.</p>	
<p>Business Practices Section</p>	

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.

Photo Form

<p>External Area</p>	<p>Social services – Bank / Pharmacy</p>	<p>Fire Hydrant</p>
<p>Production</p>	<p>Production</p>	<p>Alarm point</p>
<p>Chemical warehouse</p>	<p>Pictograms warnings signs</p>	<p>Emergency Shower</p>

		
<p>Battery charge</p>	<p>Ergonomics seats</p>	<p>Security measures and warning signs</p>
		
<p>Emergency numbers</p>	<p>Environmental risk analysis</p>	<p>Escape route</p>
		
<p>Toilets</p>	<p>Canteen</p>	<p>Environmental kit for leaks</p>

<p>Solar panels</p>	<p>Effluent Treatment Process</p>	<p>Chemical analysis for solids</p>

<p>Solid waste and chemicals waste</p>	<p>Air compressor</p>	<p>Air compressor ID</p>

<p>Pressure vessel</p>	<p>Health and Safety Policy</p>	<p>Emergency exits</p>



For more information visit: [Sedexglobal.com](https://www.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:](https://www.surveymonkey.com/s.aspx?sm=riPsbE0PQ52ehCo3lnq5lw_3d_3d)

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