



SEDEX SMETA
RESULTADOS
AUDITORIA
2022-2023



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SMETA SEDEX
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Sedex Members Ethical Trade Audit Report

Version 6.1



Sedex Members Ethical Trade Audit Report

Audit Details			
Sedex Company Reference: (only available on Sedex System)	ZC410972263	Sedex Site Reference: (only available on Sedex System)	ZS411841985
Company Name:	Grendene SA		
Site Name:	Grendene SA - Sobral		
Site address: (Please include full address)	Avenida Pimentel Gomes, 214, Bairro Alto da Expectativa, Sobral/Ceará	Country:	Brazil
Site contact and job title:	Taisa Sandoli Rossetto \t Sustainable Development Coordinator		
Site phone:		Site e-mail:	Taisa.rossetto@grendene.com.br
SMETA Audit Type:	<ul style="list-style-type: none"> ✓ Labour Standards ✓ Health & Safety (plus Environment 2-Pillar) ✓ Environment 4-pillar ✓ Business Ethics 		
Date of Audit - From:	01-08-2022		
Date of Audit - To:	06-08-2022		

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

If you have any concerns or queries about this SMETA report or the associated SMETA audit, please contact grievance@sedex.com

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

Auditor Account Type
Third party

Audit Content:

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

SMETA Declaration

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

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

Lead auditor:	Thiago Figueredo	APSCA Number	RA21705728
Lead Auditor APSCA status:	✓ Registered Auditor (RA)		
Team auditor:	NA	APSCA Number	
Interviewers:	Thiago Figueredo	APSCA Number	RA21705728
Report writer	Thiago Figueredo		
Report reviewer:	Patrick Sister		
Date of Declaration:	06-08-2022		

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

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

Summary of Findings

Issue (please click on the issue title to go direct to the appropriate audit results by clause) Note to auditor, please ensure that when issuing the audit report, hyperlinks are retained.	Area of Non - Conformity (Only check box when there is a non-conformity, and only in the box/es where the non-conformity can be found)				Record the number of issues by line*:			Summary of Findings (note to auditor, summarise in as few words as possible, all findings, NC, Obs & GE's.)
	ETI Base Code	Local Law	Additional Elements	Customer Code	NC	Obs	GE	
0A Universal Rights covering UNGP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
0B Management Systems & Code Implementation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
1 Freely Chosen Employment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
2 Freedom of Association	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
3 Safety and Hygienic Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4	2	0	<ul style="list-style-type: none"> - During the visit, it was evidenced that there was no locker available for the individual safekeeping of the employees belongings. Durante visita, evidenciado constatada ausência da disponibilização de armários para guarda individuais dos pertences dos funcionários. - During a visit through the unit, 01 of 07 sets of toilets visited was evidenced without a trash can with lid for the women's restrooms. Durante visita pela unidade, evidenciado 01 de 07 conjuntos de sanitários visitados sem lixeira com tampa para os sanitários femininos. - During the visit, at least 7 urinals without individual separation were evidenced, preserving body hygiene. Durante visita,

									<p>evidenciados ao menos 07 mictórios sem separação individual, preservando o asseio corporal.</p> <p>- During document analysis, SESMT (Specialized Services in Safety Engineering and Occupational Medicine) was found to be incomplete, and an Engineer is currently lacking to meet the minimum requirements. Durante análise de documentos, constatado SESMT (Serviços Especializados em Engenharia de Segurança e em Medicina do Trabalho) incompleto, atualmente está faltando um Engenheiro para atendimento mínimo as exigências.</p> <p>- Company does not have employees trained to assist employees with special needs in the evacuation process A empresa não tem funcionários treinados para auxiliar os funcionários com necessidades especiais no processo de evacuação</p> <p>- During a visit to the unit, (occasional) productive activities without the use of artificial lighting were evidenced, and it was not possible to prove the minimum supply of lux adequate to carry out the activity. Durante visita pela unidade, foram evidenciadas (pontuais) atividades produtivas sem o uso de iluminação artificial, não sendo possível evidenciar o fornecimento mínimo de lux adequada para realização da atividade.</p>
4	<u>Child Labour</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
5	<u>Living Wages and Benefits</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	

6	<u>Working Hours</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
7	<u>Discrimination</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1	0	0	- Non Conformity, During analysis of documents, it was evidenced that the quota of employees with Special Needs was not met. Currently the Grendene Group has 17,144 employees and its quota is 5%, with 812 employees, and currently the company has 766 employees with special needs. Não Conformidade, Durante análise de documentos, evidenciado não atendimento a cota de empregados Portadores de Necessidades Especiais, atualmente o grupo Grendene possui 17.144 funcionários tendo sua cota de 5% sendo 812 funcionários, atualmente empresa possui 766 funcionários portadores de necessidades especiais.
8	<u>Regular Employment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
8A	<u>Sub-Contracting and Homeworking</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
9	<u>Harsh or Inhumane Treatment</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
10A	<u>Entitlement to Work</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
10B2	<u>Environment 2-Pillar</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	
10B4	<u>Environment 4-Pillar</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	1	2	- Company did not present SAQ before the audit process Empresa não apresentou SAQ antes do processo de auditoria - Facility has a photovoltaic plant installed since 2019 that produce around 2,5% of total energy consumed in the plant.

									- Facility reuse water from treatment station in toilets and to water the garden. The draft is used to fertilize the soil.
10C	<u>Business Ethics</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	0	0	0	

General observations and summary of the site:

Grendene, founded in 1971, is one of the largest footwear producers in the world. It has exclusive technologies in the production of footwear for the women's, men's and children's markets. It has successful and widely known brands, including Melissa, Grendha, Zaxy, Rider, Cartago, Ipanema, Pega Forte, Grendene Kids, and Zizou. Facility started operations in March 26, 1971 and located in Sobral-CE Brazil unit has: 242,335.33 m² of built area, with eight production pavilions. Grendene sells its products through commercial representatives, distributors, direct exports and exports through its subsidiary Grendene USA, Inc. These reach approximately 45,000 points of sale outside Brazil and 65,000 in the Brazilian market. Excellent construction, hygienic working conditions and high technology.

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

Site Details

Site Details														
A: Company Name:	Grendene SA													
B: Site Name:	Grendene SA - Sobral													
C: GPS location: (If available)	GPS Address: Avenida Pimentel Gomes, 214, Bairro Alto da Expectativa, Sobral/Ceará-Brazil	Latitude: -3.671230554327633 Longitude: -40.345153659594494												
D. Applicable business and other legally required licence numbers and documents, for example, business license number, liability insurance, any other required government inspections	Operation Permit nº121/2022 document issued 01/24/2022 valid until 01/16/2024. Health License nº0867 valid until 08/04/2024. Fire Department of the State of Ceará Compliance Certificate nº327752 Total Built Area: 242,335.33 m ² VALIDITY: 03 years ISSUE DATE: April 08, 2022 Environmental Operation License Nr. 450/2019 - Validity until: 08/14/2027 IBAMA Federal Technical Registration No. 69684 Certificate of good standing valid until 09/21/2022 Operation license certificate for the acquisition of controlled chemical products - CLF No.: 2020-00559924 Expiration date: 08/25/2022 Registration certificate for the acquisition of controlled products by fiscal year nº361360 valid until 01/24/2024.													
E. Products/Ingredients handled at site, for example, garments, electricals, toys, meat processor, specific grower	Manufacture of shoes and sandals													
F: Site description: (Include size, location, and age of site. Also include structure and number of buildings)	<p>Site size: 485.126,24 square meters of land and 218.862,87 square meters of construction Site structure: Concrete Production lines: 204 Number of buildings: 8</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></td> <td></td> </tr> <tr> <td>Floor 1</td> <td></td> <td></td> </tr> <tr> <td>Is this a share building?</td> <td></td> <td></td> </tr> </tbody> </table>		Production Building no	Description	Remark, if any	1			Floor 1			Is this a share building?		
Production Building no	Description	Remark, if any												
1														
Floor 1														
Is this a share building?														
F1: Visible structural integrity issues (large cracks) observed?	✓ No													

F2: Please give details:	
F3: Does the site have a structural engineer evaluation?	✓ Yes
F4: Please give details:	
G: Site Function:	✓ Factory Processing/Manufacturer
H: Month(s) of peak season: (if applicable)	<ul style="list-style-type: none"> ✓ August ✓ September ✓ October ✓ November ✓ December
I: Process overview: (Include products being produced, main operations, number of production lines, main equipment used, cutting, sewing, packaging etc)	<p>Product: shoes (sandals, flip flops, boots) Main operations: innovation and development, polymer mix, matrices, dyeing, sewing, extrusion, screen print, plastic injection, assembly, packing, warehouse and expedition, recycling Main equipment: plastic injector, robots, running machine, oven and stove, sewing machine, press, balance beam, mill, cutting, embroiderer, stove, hot stamping, belts, guillotine, painting cabin and milling machine</p>
J: What form of worker representation / union is there on site?	✓ Union (name)
J1: Union name:	
J2: If other, please specify	
K: Is there any night production work at the site?	✓ Yes
L: Are there any on site provided worker accommodation buildings e.g. dormitories?	✓ No
L1: If yes, approx. % of workers in on site accommodation?	

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

Audit Parameters			
A: Time in and time out	A1: Day 1 Time in: 08:00 A2: Day 1 Time out: 17:00	A3: Day 2 Time in: 08:00 A4: Day 2 Time out: 17:00	A5: Day 3 Time in: 08:00 A6: Day 3 Time out: 17:00
B: Number of auditor days used:	5.5		
C: Audit type:	✓ Periodic		
D: Was the audit announced?	✓ Announced		
D1: Window detail: (weeks)			
E: Was the Sedex SAQ available for review?	✓ No		
E1: If No, why not?	Company did not submit		
F: Any conflicting information SAQ/Pre-Audit Info to Audit findings? If Yes, please capture detail in appropriate audit by clause	✓ No		
G: Who signed and agreed CAPR (Name & Job title)	Taisa Sandoli Rossetto \t Sustainable Development Coordinator		

H: Is further information available (If yes, please contact audit company for details)	✓ No
I: Previous audit date:	17-08-2021
J: Previous audit type:	
K: Were any previous audit reviewed for this audit	✓ No

Audit attendance	Management	Worker Representatives	
	Senior Management	Worker Committee Representatives	Union Representatatives
A: Present at the opening meeting?	✓ Yes		
B: Present at the audit?	✓ Yes		
C: Present at the closing meeting?	✓ Yes		
D: If Worker Representatives were not present please explain reasons why (only complete if no worker reps present)	Worker committee is not a mandatory legal requirement.		
E: If Union Representatives were not present please explain reasons why: (only complete if no union reps present)	Union Representatives is not a mandatory legal requirement. Workers are free to join a union but there is no legal obligation to have union representation or activities on site.		

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	7121	0	268	0	0	0	0	7389
Worker numbers - female	4241	0	19	0	0	0	0	4260
Total	11362		287					11649
Number of Workers interviewed male	37	0	18	0	0	0	0	55
Number of Workers interviewed female	26	0	5	0	0	0	0	31
Total interviewed sample size	63		23					86

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

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

Worker Interview Summary	
[Worker Interview Summary] A: Were workers aware of the audit?	✓ Yes
B: Were workers aware of code?	✓ Yes
C: Number of group interviews: (Please specify number and size of groups. Please see SMETA Best Practice Guidance and Measurement Criteria. If the auditor was not able to follow the BPG please state within the declaration)	10 groups of 05 employees
D1: Number of individual interviews (Please see SMETA Best Practice Measurement Criteria) - Male	27
D2: Number of individual interviews (Please see SMETA Best Practice Measurement Criteria) - Female	9
E: All workers are included in the scope of this audit such as; Direct, Casual & Agency, Workers employed by service	✓ Yes

providers & workers supplied by contractors. Note: please record details of migrant /agency/contractor workers in section 8 - Regular Employment under Responsible Recruitment	
F: Interviews were done in private and the confidentiality of the interview process was communicated to the workers?	✓ Yes
G: In general what was the attitude of the workers towards their workplace?	✓ Favourable
H: What was the most common worker complaint?	meal quality
I: What did the workers like the most about working at this site?	Payment on time, agreements made available by the company.
J: Any additional comment(s) regarding interviews:	
K: Attitude of workers to hours worked:	Positive attitude without complaints about working hours.
L. Is there any worker survey information available?	✓ No
M: Attitude of workers: (Include their attitude to management workplace and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk	Relationship with co-workers and payment of wages immediately.
N: Attitude of worker's committee/ union reps: (Include their attitude to management workplace and the interview process. Both positive and negative information should be included) Note: Do not document any information that could put workers at risk	According to the Brazilian Constitution of 1988 (Article 8), the association with unions is free to join by employees.
O: Attitude of managers: (Include attitude to audit and audit process. Both	Extremely collaborative managers to attend of the request by auditor.

positive and negative information should be included)

Audit Results by Clause

0A: Universal Rights covering UNGP

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

0.A. Guidance for Observations

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

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

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

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

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

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

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

Current Systems and Evidence Examined

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

Current systems:

Documents review, management and employees' interview.

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

The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021. Grendene's Reporting Channel Site: <https://www.linhaetica.com.br/etica/grendene>
Telephone: 0800 208 0048 Caixa postal 79518 CEP 04711-904 São Paulo / SP Evidenced Denunciation and Consequences Management Policy document signed by the company's president Mr. Alexandre Grendene Bartelle dated February 24, 2022. Evidenced Minutes of creation of the company's ethics committee, the ethics committee has as coordinator Mr. Ralph Fonseca Muniz de Melo, Specialist in Management and Ethics, and as secretary of the committee, Ms. Taisa Sandoli Rossetto Sanitary and Environmental Engineering.

[Universal Rights covering UNGP Table] A: Policy statement that expresses commitment to respect human rights?	✓ Yes
A1: Please give details: mainly applicable for the parent company	
B: Does the business have a designated person responsible for implementing standards concerning Human Rights?	✓ Yes
C: Does the business have a transparent system in place for confidentially reporting, and dealing with human rights impacts without fear of reprisals towards the reporter?	✓ Yes
C1: If no, please give details	
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)?	
D1: If no, please give details	
E: Does the business demonstrate effective data privacy procedures for workers' information which is implemented?	✓ Yes
E1: Please give details	Computerized system and document storage with restricted access to human resources staff only.

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

Comments:

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

Measuring Workplace Impact

Workplace Impact		
<p>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)</p>	<p>[Measuring Workplace Impact] A1: Annual worker turnover (Number of workers leaving in last 12 months as a % of average total number of workers on site over the year) Last year: 1%</p>	<p>A2: Annual worker turnover (Number of workers leaving in last 12 months as a % of average total number of workers on site over the year) This year: 2%</p>
<p>B: Current % Quarterly (90 days) turnover: (Number of workers leaving from the first of the 90 day period through to the last day of the 90 day period / [(number of employees on the 1st day of 90 day period + number of employees on the last day of the 90 day period) / 2])</p>	2	
<p>C: % absenteeism # of days lost through job absence in the month / [(# employees on 1st of the month + # employees on the last day of the month) / 2] * # available workdays in the month</p>	<p>C1: Annual % absenteeism last year: (Number of days lost through job absence in</p>	<p>C2: Annual % absenteeism last year: (Number of days lost through job absence in the year / [(number of employees on 1st day of the year + number employees on the last day of the year) / 2] * number</p>

	the year / [(number of employees on 1st day of the year + number employees on the last day of the year / 2] * number available workdays in the year) Last year: 5%	available workdays in the year) This year: 2%
D: Quarterly (90 days) % absenteeism: (Number of days lost through job absence in the period / [(Number of employees on 1st of the period + Number of employees on the last day of the period / 2]* Number of available workdays in the month)	5%	
E: Are accidents recorded?	✓ Yes E1: Please describe accidents records were verified and are according to local requirements	
F: # work related accidents and injuries per 100 workers [# work related accidents and injuries * 100) / # total workers]	Last year: Number: 58	This year: Number: 16
G: Quarterly (90 days) # work related accidents and injuries per 100 workers last year: [(Number of work related accidents and injuries * 100) / Number of total workers]	12	
H 1/2: Lost day work cases per 100 workers [(# lost days due to work accidents and work related injuries * 100) / # total workers]	Last year: 281	This year: 70
I 1/2: % of workers that work on average more than 48 standards hours / week in the last 6 / 12 months:	6 months	12 months
	0% workers	0% workers

J 1/2: % of workers that work on average more than 60 total hours / week in the last 6 / 12 months:	6 months	12 months
	0% workers	0% workers

0B: Management system and Code Implementation
[\(Click here to return to Summary of Findings\)](#)

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

Current Systems and Evidence Examined

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

Current systems:
 Documents review and Code of Conduct.

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

The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021. Grendene's Reporting Channel Site: <https://www.linhaetica.com.br/etica/grendene>
 Telephone: 0800 208 0048 Caixa postal 79518 CEP 04711-904 São Paulo / SP Evidenced Denunciation and Consequences Management Policy document signed by the company's president Mr. Alexandre Grendene Bartelle dated February 24, 2022. Evidenced Minutes of creation of the company's ethics committee, the ethics committee has as coordinator Mr. Ralph Fonseca Muniz de Melo, Specialist in Management and Ethics, and as secretary of the committee, Ms. Taisa Sandoli Rossetto Sanitary and Environmental Engineering. Operation Permit nº121/2022 document issued 01/24/2022 valid until 01/16/2024. Health License nº0867 valid until 08/04/2024. Fire Department of the State of Ceará Compliance Certificate nº327752 Total Built Area: 242,335.33 m² VALIDITY: 03 years ISSUE DATE: April 08, 2022 Environmental Operation License Nr. 450/2019 - Validity until: 08/14/2027 IBAMA Federal Technical Registration No. 69684 Certificate of good standing valid until 09/21/2022 Operation license certificate for the acquisition of controlled chemical products - CLF No.: 2020-00559924 Expiration date: 08/25/2022 Registration certificate for the acquisition of controlled products by fiscal year nº361360 valid until 01/24/2024.

Management Systems:	
[Management Systems Table] A: In the last 12 months, has the site been subject to any fines/prosecutions for non-compliance to any regulations?	✓ No
B: Do policies and/or procedures exist that reduce the risk of forced labour child labour discrimination harassment & abuse?	✓ Yes
B1: Please give details:	The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021. Grendene's Reporting Channel Site: https://www.linhaetica.com.br/etica/grendene Telephone: 0800 208 0048 Caixa postal 79518 CEP 04711-904 São Paulo / SP Evidenced Denunciation and Consequences Management Policy document signed by the company's president Mr. Alexandre Grendene Bartelle dated February 24, 2022.
C: If yes, is there evidence (an indication) of effective implementation?	✓ Yes
C1: Please give details:	Training sessions are held during the integration process, there are bulletins on the bulletin boards and on interactive panels.
D: Have managers and workers received training in the standards for forced labour, child labour, discrimination, harassment & abuse?	✓ Yes
D1: Please give details:	During interviews, a good level of knowledge of the employees was verified regarding the organization's code of conduct and ethics. employees with training held on 05/25/2022 and 01, 02, 03 06/06/2022.
E: If yes, is there evidence (an indication) that training has been effective e.g. training records etc.? Please give details	✓ Yes

E1: Please give details:	During interviews, a good level of knowledge of the employees was verified regarding the organization's code of conduct and ethics. employees with training held on 05/25/2022 and 01, 02, 03 06/06/2022.
F: Does the site have any internationally recognised system certifications e.g. ISO 900014000, OHSAS 18000, SA8000 (or other social audits).	✓ Yes
F1: Please give details: (Please detail number and date)	
G: Is there a Human Resources manager/ department?	✓ Yes
G1: Please give details:	Pedro Osvaldo Rangel Rodrigues - Human Development Analyst
H: Is there a senior person /manager responsible for implementation of the Code	✓ Yes
H1: Please give details:	Evidenced Minutes of creation of the company's ethics committee, the ethics committee has as coordinator Mr. Ralph Fonseca Muniz de Melo, Specialist in Management and Ethics, and as secretary of the committee, Ms. Taisa Sandoli Rossetto Sanitary and Environmental Engineering.
I: Is there a policy to ensure all worker information is confidential?	✓ Yes
I1: Please give details:	Information on employees is restricted and has limited access only to the manager of the Human Resources and Senior Management department.
J: Is there an effective procedure to ensure confidential information is kept confidential?	✓ Yes
J1: Please give details	Information on employees is restricted and has limited access only to the manager of the Human Resources and Senior Management department.

K: Are risk assessments conducted to evaluate policy and procedure effectiveness?	✓ Yes
K1: Please give details:	Internal stakeholder knowledge assessments of the Code of Conduct and Ethics implemented by the organization.
L: Does the facility have a process to address issues found when conducting risk assessments including implementation of controls to reduce identified risks?	✓ Yes
L1: Please give details	Evidenced Denunciation and Consequences Management Policy document signed by the company's president Mr. Alexandre Grendene Bartelle dated February 24, 2022. Evidenced Minutes of creation of the company's ethics committee, the ethics committee has as coordinator Mr. Ralph Fonseca Muniz de Melo, Specialist in Management and Ethics, and as secretary of the committee, Ms. Taisa Sandoli Rossetto Sanitary and Environmental Engineering.
M: Does the facility have a policy/code which require labour standards of its own suppliers?	✓ Yes
M1: Please give details	The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021.
Land rights	
[Land Rights] N: Does the site have all required land rights licenses and permissions? (see SMETA measurement criteria)	✓ Yes
N1: Please give details	Operation Permit nº121/2022 document issued 01/24/2022 valid until 01/16/2024. Health License nº0867 valid until 08/04/2024. Fire Department of the State of Ceará Compliance Certificate nº327752 Total Built Area: 242,335.33 m ² VALIDITY: 03 years ISSUE DATE: April 08, 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?	✓ No
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	✓ Yes
P1: If yes, how does the company obtain FPIC	The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021.
Q: Is there evidence that facility/site compensated the owner/lessor for the land prior to the facility being built or expanded?	✓ No
R. Does the Facility demonstrate that alternatives to a specific land acquisition were considered to avoid or minimize adverse impacts?	✓ N/A
S: Is There any evidence of illegal appropriation of land for facility building or expansion of footprint.	✓ No

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

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

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

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

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

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

C: Is there any evidence of retention of wages /deposits?	✓ No
D: Are there any restrictions on workers' freedom to terminate employment?	✓ No
E: If any part of the business is based in the UK or registered there & has a turnover over £36m, is there a published modern day slavery statement ?	✓ No
F: Is there evidence of any restrictions on workers' freedoms to leave the site at the end of the work day?	✓ No
G: Does the site understand the risks of forced / trafficked / bonded labour in its supply chain	✓ N/A
H: Is the site taking any steps taking to reduce the risk of forced / trafficked labour?	✓ Yes
H1: Please describe finding:	The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021.

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

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

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

2: Freedom of Association (Click here to return to Summary of Findings)
ETI
<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>

Current Systems and Evidence Examined
<p>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</p>
<p>Current systems:</p> <p>Documents Review-Code of Conduct</p> <p>Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>Conducted interviews with employees who have demonstrated positively that they have knowledge about the local union and are not prevented from joining the union Collective labor agreement 2022/2023 in effect from 03/01/2022 to 02/28/2023 with the Union of Footwear Industry Workers of Sobral/CE</p>

[Freedom of Association Table] A: What form of worker representation/union is there on site?	✓ Union
B: Is it a legal requirement to have a union?	✓ No
C: Is it a legal requirement to have a worker's committee?	✓ No
D: Is there any other form of effective worker/management communication channel? (Other than union/ worker committee e.g. H&S sexual harassment) ?	✓ Yes
D1: Please give details:	The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021. Grendene's Reporting Channel Site: https://www.linhaetica.com.br/etica/grendene Telephone: 0800 208 0048 Caixa postal 79518 CEP 04711-904 São Paulo / SP Evidenced Denunciation and Consequences Management Policy document signed by the company's president Mr. Alexandre Grendene Bartelle dated February 24, 2022. Evidenced Minutes of creation of the company's ethics committee, the ethics committee has as coordinator Mr. Ralph Fonseca Muniz de Melo, Specialist in Management and Ethics, and as secretary of the committee, Ms. Taisa Sandoli Rossetto Sanitary and Environmental Engineering.
D2: Is there evidence of free elections?	
E: Does the supplier provide adequate facilities to allow the Union or committee to conduct related business?	✓ Yes
E1: Please give details:	
F: Name of union and union representative if applicable:	Union of Footwear Industry Workers of Sobral/ CE Sindicato dos trabalhadores nas industrias de Calçados de Sobral/CE
F1: Is there evidence of free elections?	✓ N/A

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

Non Compliances

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

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

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

ETI

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

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

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

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

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

Current Systems and Evidence Examined

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

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

Current systems:

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

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

Evidence of health and safety at work, document prepared and published in booklets, company distributes to all employees. NR 01 - PGR (Occupational Risk Management Program) developed in April 2022 by the professional TIAGO JOSE LOPES DE ALENCAR of record - ENGENHEIRO DE SEGURANÇA DO LABO CREA N.º 039640D/CE NR SESMT NR 05 - Evidence of the constitution process of CIPA management 2022/2023. Currently, the company has 24 employees elected by the employees and 24 designated by the employees. NR 06 - Evidence of supply of PPEs with CA (Approval Certificate) in compliance. NR 07 - PCMSO (medical program of Occupational Health) developed in May/2022 by the registered professional SIMONE ALVES FRAZAO DE SOUZA - LABOR DOCTOR CRM/CE 7250 NR 08 - Buildings in compliance. NR 10 - Evidenced PIE (Electrical Installation Log) and unifilar diagram in conformity, document developed by the professional Francisco de Assis José Sales Vasconcelos with registration as Electrical Engineer CREA 327556/CE NR 11 - Evidenced training for professionals who operate forklifts and lifting bridges. NR 12 - Evidenced risk assessment of machinery used in the industrial process, sampling the APRs of the machines: - AR 058.004.00.00.22 Mixed PVC - AR 26.01.001 Plastisol robot machine NR 13 - Evidenced Pressure vessel records, inspection report and maintenance book: - INGERSOLL RAND - Serial Number NV 8560U09116 - MODEL IRN 100H-CC - INGERSOLL RAND - Serial Number B2613 - MODEL SSR EP 100 - INGERSOLL RAND - Serial Number BO2200 - MODEL SSR HXP 50 SE - INGERSOLL RAND - Serial Number B021610033 - MODEL R 37 NE-A NR 17 - Evidence of ergonomic analysis of the work performed in June/2022 by registered professional TIAGO JOSÉ LOPES DE ALENCAR - CREA N.º 039640D/CE WORK SAFETY ENGINEER NR 23 - Evidence of training for the correct handling of firefighting equipment. Currently, the company has 917 trained employees. NR 24 - Evidenced sanitary conditions in compliance, evidenced potability report, records of water tank cleaning.

[Safe & Hygienic Conditions Table]A:
Does the facility have general Health & Safety and occupational Health & Safety policies and procedures that are fit for purpose and are these communicated to workers?

✓ Yes

A1: Please give details:	Proven onboarding process where health and safety requirements are explicitly described to employees, contractors and visitors. Proven sustainability, Health and Safety Policy Statement.
B: Are the policies included in workers' manuals?	✓ Yes
B1: Please give details:	Health and safety policy.
C: Are there any structural additions without required permits/inspections (e.g. floors added)?	✓ No
D: Are visitors to the site informed on H&S and provided with personal protective equipment?	✓ Yes
D1: Please give details:	Evidenced integration manual where health and safety requirements are explicitly described to employees, service providers and visitors. Evidenced risk maps, definition of safe path and meeting point for emergencies
E: Is a medical room or medical facility provided for workers?	✓ No
F: Is there a doctor or nurse on site or there is easy access to first aider/ trained medical aid	✓ Yes
F1: Please give details:	There are 03 nursing technicians, 01 nurse, and 05 doctors divided into shifts.
G: Where the facility provides worker transport - is it fit for purpose, safe, and maintained and operated by competent persons e.g. buses and other vehicles?	✓ No
H: Is secure personal storage space is provided for workers in their living space and is fit for purpose?	✓ No
I: Are H&S Risk assessments conducted (including evaluating the arrangements for workers doing overtime e.g. driving	✓ Yes

after a long shift) and are there controls to reduce identified risk?	
I1: Please give details:	PGR (Occupational Risk Management Program) developed in April 2022 by the professional TIAGO JOSE LOPES DE ALENCAR of record - ENGENHEIRO DE SEGURANÇA DO LABO CREA N.º 039640D/CE
J: Is the site meeting its legal obligations on environmental requirements including required permits for use and disposal of natural resources ?	✓ Yes
J1: Please give details:	Environmental Operation License No. 450/2019 - Valid until: 08/14/2027 IBAMA Federal Technical Registration No. 69684 Certificate of good standing valid until 09/21/2022 Operation license certificate for the acquisition of controlled chemical products - CLF No.: 2020-00559924 Expiration date: 08/25/2022 Registration certificate for the acquisition of controlled products by fiscal year nº361360 valid until 01/24/2024.
K: Is the site meeting its customer requirements on environmental standards including the use of banned chemicals?	✓ Yes
K1: Please give details:	Operating license certificate for the acquisition of controlled chemical products - CLF No.: 2020-00559924 Expires: 08/25/2022. Registration certificate for the acquisition of controlled products by fiscal year #361360 valid until 01/24/2024.

Non Compliances	
<p>1. Description of non-compliance: <input type="checkbox"/> NC against ETI code: <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer During the visit, it was evidenced that there was no locker available for the individual safekeeping of the employees belongings. Durante visita, evidenciado constatada ausência da disponibilização de armários para guarda individuais dos pertences dos funcionários.</p> <p>Local law and/or ETI requirement:</p>	<p>Objective evidence observed: (where relevant please add photo numbers) Unit Tour Unit Tour Facility Tour Visita pelas instalações</p>

Regulatory Standard 24 item 24.4.8 In companies not required to keep a locker room, the supply of a locker, drawer with lock or similar that allows the individual storage of workers' personal belongings or a storage-room service must be guaranteed.

Recommended corrective action:

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

2. Description of non-compliance:

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

During a visit through the unit, 01 of 07 sets of toilets visited was evidenced without a trash can with lid for the women's restrooms.

Durante visita pela unidade, evidenciado 01 de 07 conjuntos de sanitários visitados sem lixeira com tampa para os sanitários femininos.

Local law and/or ETI requirement:

Regulatory Standard 24 item 24.5.3 24.3.1 The compartments for the lavatories shall: (d) have toilet paper with support and container for disposal of used toilet paper, when disposal in the toilet basin itself is not allowed, and the container must have a lid when it is intended for women; Norma Regulamentadora 24 item 24.5.3 24.3.1 Os compartimentos destinados as bacias sanitárias devem: d) possuir papel higiênico com suporte e recipiente para descarte de papéis higiênicos usados, quando não for permitido descarte na própria bacia sanitária, devendo o recipiente possuir tampa quando for destinado às mulheres;

Recommended corrective action:

Provide garbage cans with lids in all women's restrooms. Providenciar lixeiras com tampa em todos sanitários destinados a mulheres.

3. Description of non-compliance:

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

During the visit, at least 7 urinals without individual separation were evidenced, preserving body hygiene. Durante visita, evidenciados ao menos 07 mictórios sem separação individual, preservando o asseio corporal.

Local law and/or ETI requirement:

Regulatory Standard 24 item 24.3.2 An individual urinal or collective trough, with bulkhead, can be made available. Norma Regulamentadora 24 item 24.3.2 Poderá ser disponibilizado mictório tipo individual ou calha coletiva, com anteparo.

Document
Analysis Análise de
documentos

Recommended corrective action:

Absence of the bulkhead in the urinals. Ausência do anteparo nos mictórios.

4. Description of non-compliance:

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

During document analysis, SESMT (Specialized Services in Safety Engineering and Occupational Medicine) was found to be incomplete, and an Engineer is currently lacking to meet the minimum requirements.

Durante análise de documentos, constatado SESMT (Serviços Especializados em Engenharia de Segurança e em Medicina do Trabalho) incompleto, atualmente está faltando um Engenheiro para atendimento mínimo as exigências.

Local law and/or ETI requirement:

Regulatory Standard 04 item 4.2.5.2 For companies classified in risk degrees 2, 3, and 4, the dimensioning of the services referred to in sub-item 4.2.5 will obey Table II, annexed, considering the sum of the employees at all the establishments as the number of employees. Norma Regulamentadora 04 item 4.2.5.2 Para as empresas enquadradas nos graus de risco 2, 3 e 4, o dimensionamento dos serviços referidos no subitem 4.2.5 obedecerá o Quadro II, anexo, considerando-se como número de empregados o somatório dos empregados de todos os estabelecimentos.

Recommended corrective action:

hiring a new professional. contratação de novo profissional.

Observation	
<p>Description of observation:</p> <p>Company does not have employees trained to assist employees with special needs in the evacuation process A empresa não tem funcionários treinados para auxiliar os funcionários com necessidades especiais no processo de evacuação</p> <p>During a visit to the unit, (occasional) productive activities without the use of artificial lighting were evidenced, and it was not possible to prove the minimum supply of lux adequate to carry out the activity. Durante visita pela unidade, foram evidenciadas (pontuais) atividades produtivas sem o uso de iluminação artificial, não sendo possível evidenciar o fornecimento mínimo de lux adequada para realização da atividade.</p> <p>Local law or ETI requirement:</p>	<p>Objective evidence observed:</p> <p>in the evacuation process no processo de evacuação</p> <p>visit to the unit - visita pela unidade</p>

<p>Regulatory Standard 23 item 23.1.1 The employer must provide all workers with information about: b) procedures for safe evacuation of the workplace; Norma Regulamentadora 23 item 23.1.1 O empregador deve providenciar para todos os trabalhadores informações sobre: b) procedimentos para evacuação dos locais de trabalho com segurança; Standard regulation 17 item 17.8.3 In all indoor workplaces and situations, there shall be lighting in compliance with the minimum levels of illumination to be observed in workplaces established in the Fundacentro's Occupational Hygiene Standard No. 11 (NHO 11) - Assessment of Illuminance Levels in Indoor Work Environments, version 2018. Norma regulamentadora 17 item 17.8.3 Em todos os locais e situações de trabalho internos, deve haver iluminação em conformidade com os níveis mínimos de iluminação a serem observados nos locais de trabalho estabelecidos na Norma de Higiene Ocupacional nº 11 (NHO 11) da Fundacentro - Avaliação dos Níveis de Iluminamento em Ambientes Internos de Trabalho, versão 2018.</p> <p>Comments: No Comments No Comments</p>	
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Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:

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

<p style="text-align: center;">Current Systems and Evidence Examined</p> <p>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</p>
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Current systems:
 Review of procedures, instructions, records and documents associated with the assessed requirement.

Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):
 The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021. Staff records. Unidentified children in work activities.

[Child Labour Table] A: Legal age of employment:	16
B: Age of youngest worker found:	18
C: Are there children present on the work floor but not working at the time of audit?	✓ No
D: % of under 18's at this site (of total workers):	0
E: Are workers under 18 subject to hazardous work assignments? (Go to clause 3 - Health and Safety)	✓ No

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

Observation

Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:
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Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:

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

ETI

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

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

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

Current Systems and Evidence Examined

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

Current systems:

Documents Review-Mandatory documents according to current labour legislation.

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

Evidenced that Labour contracts and payments are in accordance with their collective bargaining agreement and current Brazilian legislation (Consolidation of labour Laws - CLT, arts. 442 and 443, caput). Through interviews with verified employees who all have a formal work permit and record, as well as a signed work contract. Through interviews with unidentified employees, arbitrary deductions in wages. Sampling was done in the documentation related to the payments of 82 employees. Payments made by bank transfer.

No Comments

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

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

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

Summary Information

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

B: Overtime hours (Maximum legal and actual overtime hours, please state if possible per day, week, and month): Legal Maximum	2 hours/day	2 hours/day	✓ Yes
C: Wage for standard/contracted hours (Minimum legal and actual minimum wage at site, please state if possible per hr, day, week, and month): Legal Minimum	1.212,00 BRL/ Month	1.261,23 BRL/ Month	✓ Yes
D: Overtime wage (Minimum legal and actual minimum overtime wage at site, please state if possible per hr, day, week, and month): Legal Minimum	50% above salary/hour 100% above salary/hour in Wednesdays Holidays or rest days	50% above salary/hour 100% above salary/hour in Wednesdays Holidays or rest days	✓ Yes

Wages analysis: (Go back to Key information)	
[Wages Analysis] A: Were accurate records shown at the first request?	✓ Yes
B: Sample Size Checked (State number of worker records checked and from which weeks/months – should be current, peak, and random/low. Please see SMETA Best Practice Guidance and Measurement Criteria)	Identified significant production peaks during the current year. with the second half of the year as the peak production. Random sampling conducted in the months described below: June/2022. 82 employees (Direct) March/2022 82 employees (Direct) October/2022. 82 employees (Direct)
C: Are there different legal minimum wage grades?	✓ No
D: If there are different legal minimum grades are all workers graded and paid correctly?	✓ N/A
E: For the lowest paid production workers are wages paid for standard/contracted hours (excluding overtime) below or above the legal minimum?	✓ Above

E1: Lowest Wages found: Note: full time employees and please state hour / week / month etc.	1.261,23 BRL/Month
F: Please indicate the breakdown of workforce per earnings.	... % of workforce earning under minimum wage ... % of workforce earning minimum wage 100% of workforce earning above minimum wage
G: Bonus Scheme found: Note: type of employee (e.g. full time, temp etc) and please state which units e.g. per hour / week / month etc.	No comments
H: What deductions are required by law e.g. social insurance? Please state all types:	- Severance Indemnity Fund for Time of Service - National Institute of Social Security - social insurance - Social security, union contributions, income tax and meal
I: Have these deductions been made?	✓ Yes
I1: Please list all deductions that have been made	1. Severance Pay Indemnity Fund 2. National Institute of Social Security-social insurance 3. Social security, Union contributions and income tax 4. Meal
I2: Please list all deductions that have not been made	NA
J: Were appropriate records available to verify hours of work and wages?	✓ Yes
K: Were any inconsistencies found?	✓ No
L: Do records reflect all time worked?	✓ Yes
L1: Please give details:	Records of 82 employees and social interviews.
M: Is there a defined living wage? (This is not normally minimum legal wage. Please see SMETA Best Practice Guidance and Measurement Criteria)	✓ No
M2: What was the calculation method used?	

N: Are there periodic reviews of wages? (include whether there is consideration to basic needs of workers plus discretionary income).	✓ Yes
N1: Please give details:	
O: Are workers paid in a timely manner in line with local law?	✓ Yes
P: Is there evidence that equal rates are being paid for equal work:	✓ Yes
P1: Please give details:	
Q: How are workers paid:	✓ Bank Transfer

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

ETI

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

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

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

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

- This is allowed by national law;
- This is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- Appropriate safeguards are taken to protect the workers' health and safety; and
- The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by national law, 2 days off in every 14 day period.

Current Systems and Evidence Examined

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

Current systems:

Documents Review-Workers law consolidation.

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

Sample attendance records of 82 employees during the past 12 months. Specific overtime work records. During interviews, it was verified that overtime work occurs on a voluntary basis and payments are computed on an hour bank system. Evidence that employees work 44 hours per week and that they are entitled to at least one seminal break was verified by checking employees' work day records and pay statements. Working hours, excluding overtime, must be defined by contract and must not exceed 48 hours per week.

No comments

Non Compliances

Description of non-compliance:

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

Local law and/or ETI requirement:

Recommended corrective action:

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

Observation

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

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

Working hours' analysis
Please include time e.g. hour/week/month
[\(Go back to Key information\)](#)

Systems & Processes:			
[Working Hours Analysis] A. What timekeeping systems are used: time card etc.	Electronic card		
B: Is sample size same as in wages section?	✓ Yes		
C: Are standard/contracted working hours defined in all contracts/employment agreements?	✓ Yes		
D: Are there any other types of contracts/employment agreements used?	✓ No	D1: If yes, please complete as appropriate:	
		<input type="checkbox"/> 0 hrs	<input type="checkbox"/> Part time
		<input type="checkbox"/> Variable hrs	<input type="checkbox"/> Other
	D2: If "Other" , please define:		
E. Do any standard/contracted working hours defined in contracts/employment agreements exceed 48 hours per week?	✓ No		
F: Are workers provided with at least 1 day off in every 7-day-period or 2 in 14-day-period?	Please select all applicable: ✓ 1 in 7 days If "No", please explain:	F2: Is this allowed by local law? ✓ Yes	
	F3: Maximum number of days worked without a day off (in sample): 6 days		

Standard/Contracted Hours worked	
G: Were standard working hours over 48 per week found?	✓ No
H: Any local waivers/ local law or permissions which allow averaging/ annualised hours for this site?	✓ No
Overtime Hours worked	
I: Actual overtime hours worked in sample (State per day/week/month) [Highest OT hours]	16 hours/month
J: Combined hours (standard or contracted hours + overtime hours = total hours). Is this figure over 60 hours per week?	✓ No
K: Approximate % of total workers on highest overtime hours	20%
L: Is overtime voluntary?	✓ Yes
L1: Please detail evidence e.g. Wording of contract/employment agreement/handbook/ worker interviews/ refusal arrangements:	
Overtime Premiums	
M: Are the correct legal overtime premiums paid?	✓ Yes

<p>M1: Please give details of normal day overtime premium as a % of standard wages:</p>	
<p>N: Is overtime paid at a premium?</p>	<p>✓ Yes</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>	
<p>O1: Please explain any checked boxes above e.g. detail of consolidated pay or 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>P1: Please explain any checked boxes above e.g. detail of consolidated pay or 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>	<p>✓ No</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>✓ Yes</p>
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7: Discrimination
[\(Click here to return to Summary of Findings\)](#)

ETI

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

Current Systems and Evidence Examined

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

Current systems:
 Code of Conduct and Interviews with employees.

Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):
 The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021. Interviews with employees were performed, and no issues about discrimination or coercive practices of any type were detected.
 No comments

<p>A: Gender breakdown of Management + Supervisors (Include as one combined group)</p>	<p>Male 85% Female 15%</p>
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B: Number of women who are in skilled or technical roles e.g. where specific qualifications are needed i.e. machine engineer / laboratory analyst	61
C: Is there any evidence of discrimination based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation?	✓ No evidence of discrimination found

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

Non Compliances	
<p>1. Description of non-compliance:</p> <p><input type="checkbox"/> NC against ETI code: <input checked="" type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer</p> <p>Non Conformity, During analysis of documents, it was evidenced that the quota of employees with Special Needs was not met. Currently the Grendene Group has 17,144 employees and its quota is 5%, with 812 employees, and currently the company has 766 employees with special needs. Não Conformidade, Durante análise de documentos, evidenciado não atendimento a cota de empregados Portadores de Necessidades Especiais, atualmente o grupo Grendene possui 17.144 funcionários tendo sua cota de 5% sendo 812 funcionários, atualmente empresa possui 766 funcionários portadores de necessidades especiais.</p> <p>Local law and/or ETI requirement: Legal basis: According to article 93 of Law 8.213/1991, a company with 100 (one hundred) or more employees must fill 2% to 5% of its</p>	<p>Objective evidence observed: (where relevant please add photo numbers) Analysis of documents Análise de documentos</p>

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

Recommended corrective action:

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

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

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

<p>8: Regular Employment (Click here to return to Summary of Findings) (Go back to Key information)</p>
<p>ETI</p> <p>8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.</p> <p>8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</p> <p>Additional Elements: Responsible Recruitment</p> <p>8.3 Suppliers have full understanding of the entire recruitment process and assess all labour recruiters and intermediaries against legal and/or ethical requirements.</p>

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:

Consolidation of Labour Laws and Collective Bargaining Agreement.

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

Demonstrated by sampling work contracts referents to 82 employees, which clearly demonstrate the rules established and agreed between Employee, Company and Union.

No comments

Non Compliances

Description of non-compliance:

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

Local law and/or ETI requirement:

Recommended corrective action:

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

Observation

Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:
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Good Examples observed:	
Description of Good Example (GE):	Objective evidence observed:

Responsible Recruitment

All Workers	
[Responsible Recruitment - All Workers] A: Were all workers presented with terms of employment at the time of recruitment, did they understand them and are they the same as current conditions?	✓ Terms & Conditions presented ✓ Understood by workers ✓ Same as actual conditions
A1: If any are unchecked please describe finding and specific category(ies) of workers affected:	
B: Did workers pay any fees, taxes, deposits or bonds for the purpose of recruitment/ placement?	✓ No
C: Please check all that apply to B	
C: If any checked, C1: If other, please give details:	

Migrant Workers: "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."	
[Migrant Workers] A: Type of work undertaken by migrant workers:	

<p>B: Please give details about recruitment agencies for migrant workers:</p>		
	<p>B1: Migrant worker recruitment: Total number of (in country recruitment agencies) used.</p>	
<p>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?</p>	<p>B2: Migrant worker recruitment: Total number of (outside of local country) recruitment agencies used</p>	
	<p>C1: Please describe finding:</p>	<p>C2: Observations: 10.829.776/0003-34\tBONO EXPRESS TRANSP E LOGISTICA 19.919.779/0001-71\tL R DOS SANTOS MONTAGENS INDUSTRIAIS 09.294.064/0001-17\tjBT TRANSPORTE LTDA 03.399.220/0001-28\tLIDER CONTROLE AMBIENTAL LTDA 09.451.428/0001-25\tSERVIARM SERVICIO DE VIGILANCIA ARMADA LTDA 32.853.755/0001-25\tBEAN SOFT - TI 36.579.897/0001-05\tF R CARNEIRO CONSTRUCAO 03.094.114/0014-50\tVITORIA PROVIDORA LOGISTICA 02139237/0001-83\tNUTRINOR - RESTAURANTES DE COLETIVIDADE LTDA 15.308.961/0001-35\tFRANDUTOS MONTAGEM E MANUTENCAO INDUSTRIAL LTDA 95.591.723/0092-56\tTNT MERCURIO CARGAS E ENCOMENDAS EXPRESSAS LTDA 18.484.199/0002-17\tDLB SERVICOS DE TRANSPORTES E LOGISTICA EIRELI 09.212.665/0001-33\tSERVAL SERVICOS DE SEGURANCA LTDA</p>

<p>D: Are Any migrant workers in skilled technical or management roles (this should include all migrant workers including permanent workers temporary and/or seasonal workers) Migrant Workers (this should include all migrant workers including permanent workers, temporary and/or seasonal workers)</p>	
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NON-EMPLOYEE WORKERS

Recruitment Fees:	
[Non-Employee Workers] A: Are there any fees?	✓ No
B: Check all that apply:	
B1: If other, please give details:	

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

Contractors	
Note: contractors in this context are generally individuals who supply several workers to a site. Usually the contractors are paid by the site and the wages of the workers are paid by the contractor. Common terms include, gang bosses, labor provider,	
[Contractors] A: Any contractors on site?	✓ Yes
B: If Yes how many workers supplied by contractors	287
C: Do all contractor workers understand their terms of employment?	
D: If Yes please give evidence for contractor workers being paid per law:	Employment contracts and proof of receipt of wages.

8A: Sub-Contracting and Homeworking (Click here to return to Summary of Findings) (Go back to Key information)
8A.1 There should be no sub-contracting unless previously agreed with the main client. 8A.2 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

Current Systems and Evidence Examined To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.
Current systems: Company does not work with Sub-Contracting and Homeworking Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): Company does not work with Sub-Contracting and Homeworking
If any processes are sub-contracted - please populate below boxes

Process Subcontracted	Process 1	Process 2
Name of factory		
Address		
Process Subcontracted	Process 3	Process 4
Name of factory		
Address		
Process Subcontracted	Process 5	Process 6
Name of factory		
Address		

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

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

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

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

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

H: Are full records of homeworkers available at the site?	
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9: Harsh or Inhumane Treatment (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

[Harsh or Inhumane Treatment Table] A: Are there published anonymous and/or open channels available for reporting any violations of Labour standards and H&S or any other grievances to a 3rd party?	✓ Yes
B: If Yes, are workers aware of these channels and have access?	✓ Yes
C: If yes what type of mechanism is used e.g. hotline, whistle blowing mechanism, comment box etc. Please give details	During interviews found that employees know the proper channels to record complaints Grendene's Reporting Channel Site: https://www.linhaetica.com.br/etica/grendene Telephone: 0800 208 0048 Caixa postal 79518 CEP 04711-904 São Paulo / SP Evidenced Denunciation and Consequences Management Policy document signed by the company's president Mr. Alexandre Grendene Bartelle dated February 24, 2022.
D: Which of the following groups is there a grievance mechanism in place for?	✓ Workers ✓ Suppliers
E: Are there any open disputes?	✓ No
F: Does the site encourage its business partners (e.g. suppliers) to provide individuals and communities with access to effective grievance mechanisms (e.g. help lines or whistle blowing mechanism)	✓ Yes

G: Is there a published and transparent disciplinary procedure?	✓ Yes
H: If yes are workers aware of these the disciplinary procedure?	✓ Yes
I: Does the disciplinary procedure allow for deductions from wages (fines) for disciplinary purposes (see wages section)?	✓ No

Current Systems and Evidence Examined
<p>To complete 'current systems' Auditors examine policies and written procedures in conjunction with relevant managers, to understand, and record what controls and processes are currently in place e.g. record what policies are in place, what relevant procedures are carried out, who is /are responsible for the management of this item of the code. Evidence checked should detail any documentary or verbal evidence shown to support the systems.</p>
<p>Current systems: Code of Conduct.</p> <p>Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate):</p> <p>The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021. Grendene's Reporting Channel Site: https://www.linhaetica.com.br/etica/grendene Telephone: 0800 208 0048 Caixa postal 79518 CEP 04711-904 São Paulo / SP Evidenced Denunciation and Consequences Management Policy document signed by the company's president Mr. Alexandre Grendene Bartelle dated February 24, 2022. Evidenced Minutes of creation of the company's ethics committee, the ethics committee has as coordinator Mr. Ralph Fonseca Muniz de Melo, Specialist in Management and Ethics, and as secretary of the committee, Ms. Taisa Sandoli Rossetto Sanitary and Environmental Engineering.</p>

Non Compliances	
<p>Description of non-compliance: <input type="checkbox"/> NC against ETI code: <input type="checkbox"/> NC against Local Law <input type="checkbox"/> NC against customer</p> <p>Local law and/or ETI requirement:</p>	<p>Objective evidence observed:</p>

Recommended corrective action:	(where relevant please add photo numbers)
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Observation	
Description of observation: Local law or ETI requirement: Comments:	Objective evidence observed:

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

10A: Entitlement to Work and Immigration (Click here to return to Summary of Findings)
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: No comments Evidence examined - to support system description (Documents examined & relevant comments. Include renewal/expiry date where appropriate): No comments No comments

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

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

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

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

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

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

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

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

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

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

B.4. Compliance Requirements
 10B4.1 Businesses as a minimum must meet the requirements of local and national laws related to environmental standards.
 10B4.2 Where it is a legal requirement, businesses must be able to demonstrate that they have the relevant valid permits including for use and disposal of resources e.g. water, waste etc.
 10B4.3 Businesses shall be aware of their end client's environmental standards/code requirements

- 10B4.4 Suppliers should have an environmental policy, covering their environmental impact, which is communicated to all appropriate parties, including its own suppliers.
- 10B4.5 Suppliers shall be aware of the significant environmental impact of their site and its processes.
- 10B4.6 The site should measure its impacts, including continuous recording and regular reviews of use and discharge of natural resources e.g. energy use, water use (see 4-pillar audit report and audit checks for details).
- 10B4.7 Businesses shall make continuous improvements in their environmental performance.
- 10B4.8 Businesses shall have available for review any environmental certifications or any environmental management systems documentation
- 10B4.9 Businesses should have a nominated individual responsible for co-ordinating the site's efforts to improve environmental performance.
- B4. Guidance for Observations
- 10B4.10 Suppliers should have completed the appropriate section of the SAQ and made it available to the auditor.
- 10B4.11 Has the site recently been subject to (or pending) any fines/prosecutions for noncompliance to environmental regulations.

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

Current Systems and Evidence Examined

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

Current systems:

Document Review

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

Environmental Operation License No. 450/2019 - Valid until: 08/14/2027 IBAMA Federal Technical Registration No. 69684 Certificate of good standing valid until 09/21/2022 Operation license certificate for the acquisition of controlled chemical products - CLF No.: 2020-00559924 Expiration date: 08/25/2022 Registration certificate for the acquisition of controlled products by fiscal year n°361360 valid until 01/24/2024.

No Comments

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

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

Good Examples observed:	
Description of Good Example (GE): Facility has a photovoltaic plant installed since 2019 that produce around 2,5% of total energy consumed in the plant. Facility reuse water from treatment station in toilets and to water the garden. The draft is used to fertilize the soil.	Objective evidence observed: No Comments No comments

Environmental Analysis	
(Site declaration only - this has not been verified by auditor. Please state units in all cases below.)	
[Environmental Analysis] A: Is there a manager responsible for Environmental issues (Name and Position):	Taisa Sandolli Rossetto - Sustainable Development Coordinator

B: Has the site conducted a risk assessment on the environmental impact of the site including implementation of controls to reduce identified risks?	✓ Yes
C: Does the site have a recognised environmental system certification such as ISO 14000 or equivalent?	✓ No
D: Does the site have an Environmental policy? (For guidance please see Measurement criteria)	✓ Yes
E: If yes does it address the key impacts from their operations and their commitment to improvement?	✓ Yes
F: Does the site have a Biodiversity policy? (For guidance please see Measurement criteria)	✓ Yes
G: Is there any other sustainability systems present such as Chain of Custody, Forest Stewardship Council (FSC), Marine Stewardship Council (MSC) etc.? (For guidance please see Measurement criteria)	✓ Yes
G1: Please give details:	Forest Stewardship Council no. N003114, expiring 03/24/2023 Vegan Society no. 025533, expiring 02/18/2023
H: Have all legally required permits been shown?	✓ Yes
H1: Please give details:	Ali environmental related permits are in place
I: Is there a documentation process to record hazardous chemicals used in the manufacturing process?	✓ Yes
I1: Please give details:	Operating license certificate for the acquisition of controlled chemical products - CLF No.: 2020-00559924 Expires: 08/25/2022. Registration certificate for the acquisition of controlled products by fiscal year #361360 valid until 01/24/2024.

J: Is there a system for managing client's requirements and legislation in the destination countries regarding environmental and chemical issues?	✓ Yes
J1: Please give details:	There is a system in place to manage environmental and chemical legislation
K: Facility has reduction targets in place for environmental aspects e.g. water consumption and discharge, waste, energy and green-house gas emissions	✓ Yes
K1: Please give details:	Facility has environmental targets related to waste, energy and water linked to production and hours of work
L: Facility has evidence of waste recycling and is monitoring volume of waste that is recycled.	✓ Yes
L1: Please give details:	Facility has documents related to waste management to demonstrate reuse of waste, recycling and correct disposal
M: Does the facility have a system in place for accurately measuring and monitoring consumption of key utilities of water, energy and natural resources that follows recognised protocols or standards?	✓ Yes
M1: Please give details:	Facility measure and monitor consumption of water and energy
N: Has the facility checked that any Sub-Contracting agencies or business partners operating on the premises have the appropriate permits and licences and are conducting business in line with environmental expectations of the facility?	✓ Yes
N1: Please give details:	Sub-contracting at facility is kitchen for food preparation and main entrance and their related permits are in place
Usage/Discharge analysis	

Criteria	Current year: Please state period 08-08-2022	Previous Year: Please state period 31-12-2021
Electricity Usage <i>Kw/hrs</i>	33486137	79625015
Renewable Energy Usage: <i>Kw/hrs</i>	633184	1263360
Gas Usage <i>Kw/hrs</i>		
Has site completed any carbon Footprint Analysis	✓ No	✓ No
If Yes, please state result		
Water Sources Please list all sources e.g. lake, river, and local water authority.	Local water authority	Local water authority
Water Volume Used <i>m3</i>	63634	160853
Water Discharged Please list all receiving waters/recipients.	N/A	N/A
Water Volume Discharged: <i>m3</i>		
Water Volume Recycled: <i>m3</i>		
Total waste Produced (please state units)		
Total hazardous waste Produced (please state units)		
Waste to Recycling (please state units)		
Waste to Landfill (please state units)	0	0
Waste to other:		

(please give details and state units)		
Total Product Produced (please state units)		

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

10C. Compliance Requirements

10C.1 Businesses shall conduct their business ethically without bribery, corruption, or any type of fraudulent Business Practice.

10C.2 Businesses as a minimum must meet the requirements of local and national laws related to bribery, corruption, or any type of fraudulent Business Practices.

10C.3 Where it is a legal requirement, businesses must be able to demonstrate that they comply with all fiscal legislative requirements.

10C.4 Businesses shall have access to a transparent system in place for confidentially reporting, and dealing with unethical Business Ethics without fear of reprisals towards the reporter.

10C.5 Businesses should have a Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice,

10C.6 Businesses should have a designated person responsible for implementing standards concerning Business Ethics

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

10C. Guidance for Observations

10C.8 Businesses should communicate their Business Ethics policy, covering bribery, corruption, or any type of fraudulent Business Practice to all appropriate parties, including its own suppliers.

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

Note for auditors and readers. This Business Ethics section is intended to take not more than 0.25 auditor days. It is an assessment not an audit.

Current Systems and Evidence Examined

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

Current systems:
Document Review

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

The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021. Grendene's Reporting Channel Site: <https://www.linhaetica.com.br/etica/grendene>
 Telephone: 0800 208 0048 Caixa postal 79518 CEP 04711-904 São Paulo / SP Evidenced Denunciation and Consequences Management Policy document signed by the company's president Mr. Alexandre Grendene Bartelle dated February 24, 2022. Evidenced Minutes of creation of the company's ethics committee, the ethics committee has as coordinator Mr. Ralph Fonseca Muniz de Melo, Specialist in Management and Ethics, and as secretary of the committee, Ms. Taisa Sandoli Rossetto Sanitary and Environmental Engineering. Operation Permit nº121/2022 document issued 01/24/2022 valid until 01/16/2024. Health License nº0867 valid until 08/04/2024. Fire Department of the State of Ceará Compliance Certificate nº327752 Total Built Area: 242,335.33 m² VALIDITY: 03 years ISSUE DATE: April 08, 2022 Environmental Operation License Nr. 450/2019 - Validity until: 08/14/2027

No Comments

Non Compliances

Description of non-compliance:

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

Local law and/or ETI requirement:

Recommended corrective action:

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

Observation

Description of observation:

Local law or ETI requirement:

Comments:

Objective evidence observed:

Good Examples observed:

Description of Good Example (GE):

Objective evidence observed:

<p>[Business Ethics Table] A: Does the facility have a Business Ethics Policy and is the policy communicated and applied internally externally or both as appropriate?</p>	<p>✓ Internal Policy</p>
<p>A1: Please give details:</p>	<p>The Grendene Code of Conduct was implemented on December 1, 2008 and revised on April 29, 2021.</p>
<p>B: Does the site give training to relevant personnel (e.g. sales and logistics) on business ethics issues? Please give details:</p>	<p>During interviews, a good level of knowledge of the employees was verified regarding the organization's code of conduct and ethics. Employees trained on 05/25/2022 and 01, 02, 03 06/06/2022</p>
<p>C: Is the policy updated on a regular (as needed) basis?</p>	<p>✓ Yes</p>
<p>C1: Please give details:</p>	<p>Changes are made as needed by the Steering Committee of the organization</p>
<p>D: Does the site require third parties including suppliers to complete their own business ethics training?</p>	<p>✓ No</p>
<p>D1: Please give details:</p>	

Other Findings Outside the Scope of the Code

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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)

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Appendix 1

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

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

<p>carry out their representative functions in the workplace.</p> <p>2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.</p>	
<p>Customer's Supplier Code equivalent: ETI 3. Working conditions are safe and hygienic</p>	<p>Customer's Supplier Code equivalent: ETI 3. Working conditions are safe and hygienic</p>
<p>3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.</p> <p>3.2 Workers shall receive regular and recorded Health & 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>Customer's Supplier Code equivalent: ETI 4. Child labour shall not be used</p>	<p>Customer's Supplier Code equivalent: ETI 4. Child labour shall not be used</p>
<p>4.1 There shall be no new recruitment of child labour.</p> <p>4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable</p>	

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

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

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

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

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

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

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

		
<p>escape route map</p>	<p>canteen</p>	<p>Fire extinguisher</p>
		
<p>Injection Moulding Machines</p>	<p>mictorium without bulkhead</p>	<p>machine</p>



Finished Goods Inventory



watercooler



Employees with lamp off



trash can without lid



MSDS



emergency exit



facade	chemicals in fractions	eye wash
		
Cargo Elevator	Fire extinguisher	Employees with lamp off



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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:

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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_

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