



General Regulation ABVTEX Program

ABVTEX – Associação Brasileira do Varejo Têxtil

Version 5.0 – January 2024



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1 INTRODUCTION

The ABVTEX Program is a sector effort led by the Brazilian Association of Textile Retail (ABVTEX – *Associação Brasileira do Varejo Têxtil*), which represents the main fashion retail chains, including clothing, footwear, fashion accessories and textile goods for home (bed, table, bath and decoration). The main objective is to promote the best commercial practices with socio-environmental responsibility throughout the fashion value chain. Launched in 2010, the program represents a successful tool to support the fight against analogous to slave labor and child labor in the supply chain of the signatory retailers. In general terms, it is a comprehensive compliance program for the development of the sector and a milestone in monitoring the sector's production chain.

The fashion retailers that are signatories of the ABVTEX Program understand that a collaborative and joint work among the sector's actors is the most effective way to advance the themes addressed by the Program, since an institutional sector action has a greater potential to bring high-impact changes for the fashion value chain. In an assertive, systematic, coordinated and organized manner, the Program establishes guidelines for the adoption of socio-environmental responsibility actions in the fashion supply chain.

This is an initiative of the concern of the signatory fashion retailers and consumers for the transparency of the origin of manufacture of the product they sell and consume, respectively. The Program created a governance environment in the fashion value chain, improving the labor relations, ensuring better health and safety conditions for workers, as well as compliance with the environmental regulations. The program seeks to address these challenges by carrying out audits in the supply chain of the facilities and their subcontractors/outsourced facilities by independent audit organizations. In this way, the supplier that achieves a satisfactory degree of compliance with the minimum requirements determined by the Program, mainly regarding the non-precariousness of the work forms, may supply to any of the signatory retail chains.

At first, the ABVTEX Program was aimed only to suppliers and their subcontractors linked to the supply chain of the signatory retailers. However, as a natural evolution process and being an inclusive project, the facilities that are not part of the supply chain of the signatory retailers may join the Program, identifying and adopting good practices as a way of improving their socio-environmental responsibility, expanding their opportunities for business in the sector.

The ABVTEX Program includes carrying out an independent and fair audit with the objective of verifying the adherence of the suppliers and their subcontractors to the criteria and requirements established in the following aspects: formalization of the facility; child labor; forced labor or analogous to slave labor; irregular foreigner work; existence of children in the work environment; housing; freedom of association; existence of discrimination, abuse or harassment of the workers; occupational health and safety; fire prevention and fighting; monitoring and documentation; compensation; worked hours; supply chain monitoring; validation of the list of subcontractors and subcontracting of services, in addition to issues related to the environmental area. ABVTEX provides a technological platform through the ABVTEX Web Portal, which contains information about the ABVTEX Program (www.abvtex.org.br/sobre-o-programa).

2 GENERAL FEATURES

2.1 Objectives and benefits

The objectives of the ABVTEX Program are:

- to ensure decent working conditions in the fashion retail supply chain, combating the analogous to slave labor and child labor and irregular foreigner work;
- to ensure the conformity with the environmental law related to the fashion retail production chain;
- to promote the best practices in the fashion retail sector represented by ABVTEX, through the evolutionary engagement of the participants and the continuous improvement of processes;
- to provide a protocol of standardized requirements, on a systemic platform, with unified processes of periodic audits that allow signatory retailers to manage and monitor the sustainable development of the suppliers and their subcontractors related to the aspects linked to socio-environmental responsibility, mainly labor relations;
- to establish the principles and criteria for carrying out audits on suppliers and their subcontractors in the supply chain of the signatory retailers in the clothing, footwear, fashion accessories and textiles goods for home.

When these objectives are met, the ABVTEX Program provides benefits and sustainability for all links in the fashion value chain:

- **ABVTEX:** development of an organized and structured management system for socio-environmental audits, which adds value to the signatory retailers and supplier facilities linked to the segments covered by the Program and sustainability of the Brazilian fashion value chain;
- **Signatory Retailers:** adoption of the best management, compliance and socio-environmental responsibility practices in their supply chain, promoting the elimination of any form of irregular, analogous to slave labor and child labor, in addition to provide decent working conditions to all those involved in the production and respect for the environment;
- **Suppliers:** adoption of good management practices for their network of subcontractors, socioenvironmental responsibility in the facility and commercial relationships, improving the internal environment, reducing the absenteeism and workforce turnover, promoting better working and safety conditions for their workers, expanding actions to respect the environment and to increase commercial opportunities with the signatory retailers of the ABVTEX Program;
- **Subcontractors:** adoption of social and environmental responsibility practices in the facility and in their commercial relations, improving the internal environment, reducing the absenteeism and workforce turnover, adopting better work safety conditions for their workers, expanding actions to respect the environment and increasing commercial opportunities with the suppliers of the signatory retailers of the ABVTEX Program.

2.2 Responsibilities

All agents involved in the ABVTEX Program are subject to the [Code of Conduct of the ABVTEX Program](#), which establishes the values and principles that guide the sustainable way of conducting the relations and intrinsic practices of the Program. The following items are considered agents of the ABVTEX Program, within the scope of this **General Regulation**: retailers who are signatory retailers of the Program; suppliers and their approved subcontractors; Audit Organizations, which support ABVTEX for managing the ABVTEX Program; entities that participate in the Program Governance Structure as members of the Advisory Board and members of the Arbitration Committee.

In addition to the commitment of following the established Code of Conduct, the responsibilities of each party directly involved in the ABVTEX Program are:

ABVTEX

- To develop and manage the activities of the ABVTEX Program.
- To establish the technical guidelines of the Program and decide on possible topics or unforeseen situations, acting as the highest authority in the conduction of the Program.
- To evaluate, accredit and disqualify the Audit Organizations.
- To promote the dissemination of the ABVTEX Program in public forums and along the supply chain of the fashion sector.
- To seek and develop alternatives for investing resources for the maintenance and continuous improvement.
- To manage and develop processes that guarantee the quality assurance of the ABVTEX Program, by carrying out **Observation Audits**, under the terms indicated by this **General Regulation** and described in the Procedures for **Observation Audits**.

Signatory Retailers

- To faithfully fulfill the commitments assumed in the Affiliation Agreement, in the Term of Commitment for monitoring the supply chain, in addition to the provisions of this **General Regulation**.
- To formally communicate their suppliers about their participation and commitment to the ABVTEX Program.
- To support ABVTEX in the performance of the ABVTEX Program and follow the established guidelines.
- To stimulate and support their suppliers in joining and adapting to the ABVTEX Program.
- To control the adherence and adequacy of their suppliers to the ABVTEX Program.
- To negotiate and, when necessary, encourage the necessary changes in current contracts with suppliers in a way to not conflict with the provisions of the ABVTEX Program, as well as to include the obligation of contributing with the costs of the audits defined herein by their suppliers.
- To terminate the contract with suppliers that do not want to adapt to the ABVTEX Program or that are not approved in the audit processes according to the deadlines established in this **General Regulation**.

- To participate in the meetings of the Suppliers Working Group, Management Committee and Advisory Board of the ABVTEX Program, besides adopting the measures agreed thereon.

Suppliers

- To join the ABVTEX Program.
- To follow the guidelines and meet the criteria and requirements described in this **General Regulation**.
- To request **Initial Audit, Follow-Up Audit** and **Renewal Audit**.
- To request the audits with the necessary advance for maintaining their status in the Program, observing the expiration date, based on the anniversary date of the **Initial Audit**.
- To formally communicate their subcontractors about the ABVTEX Program.
- To stimulate and support the adhesion and adequacy of their subcontractors to the ABVTEX Program within the established deadlines.
- To allocate the necessary resources to adapt their facilities to the requirements of the current law and the requirements established by the ABVTEX Program.
- To allocate the necessary resources for contracting the audits provided for in the ABVTEX Program.
- To correctly inform and keep updated, in the [ABVTEX Program System](#), their list of subcontractors.
- To keep commercial relations, when supplying to the signatory retailers, only with subcontractors also approved by the ABVTEX Program. However, to promote the social responsibility in the fashion chain, regardless of the supply relations and their production processes for other retailers not signatories of the Program, the facility should act within the conditions established in the [Code of Conduct of the ABVTEX Program](#) (available at www.abvtex.org.br/codigo-de-conduta).
- To immediately notify the Audit Organization and update the [ABVTEX Program System](#) when there is an address change, or when there is an expansion of the manufacturing unit by the annexation of another contiguous building at another address or the annexation of a room, space, another floor or warehouse at the same address (nonexistent during the last audit), for carrying out a new audit.
- To notify the Audit Organization of the existence of other facilities (CNPJs) at the same address. In this case, all facilities in the same segment should be audited by the Audit Organization. The omission of any other facility (CNPJ) at the same address should subject the facility to a penalty, according to the ABVTEX Program.

Subcontractors

- To join the ABVTEX Program.
- To follow the guidelines and meet the criteria and requirements described in this **General Regulation**.

- To ensure that there is no outsourcing of the production process in the supply relation to the signatory retailers. However, to promote the social responsibility in the fashion chain, regardless of the supply relation and their production processes for other retailers not signatories of the Program, the facility should act within the conditions established in the [Code of Conduct of the ABVTEX Program](#).
- To request **Initial Audit, Follow-Up Audit** and **Renewal Audit**.
- To request the audits with the necessary advance for maintaining their status in the Program, observing the expiration date, based on the anniversary date of the **Initial Audit**.
- To allocate the necessary resources to adapt their facilities to the requirements of the current law and the requirements established by the ABVTEX Program.
- To allocate the necessary resources for contracting the audits provided for in the ABVTEX Program (except in the cases where the supplier chooses to assume the audit costs of its subcontractors).
- To immediately notify the Audit Organization and update the [ABVTEX Program System](#) when there is an address change, or when there is an expansion of the manufacturing unit by the annexation of another contiguous building at another address or the annexation of a room, space, another floor or warehouse at the same address (nonexistent during the last audit), for carrying out a new audit.
- To notify the Audit Organization of the existence of other facilities (CNPJs) at the same address. In this case, all facilities in the same segment should be audited by the Audit Organization. The omission of any other facility (CNPJ) at the same address should subject the facility to a penalty, according to the ABVTEX Program.

Audit Organizations

- To observe the rules and principles established in this **General Regulation** and its annexes and the rules contained in the [Audit Manual](#) related to the ABVTEX Program, available at ABVTEX Web Portal (www.abvtex.org.br/sobre-o-programa).
- To ensure that the ABVTEX Program audits be managed, planned and conducted effectively, in accordance with this **General Regulation** and the [Audit Manual](#).
- To ensure that all auditors accredited by ABVTEX are effective in carrying out the Program audits, following the respective technical requirements, knowing all applicable regulatory requirements, offering a professional behavior and providing quality services in verifications, conclusions and reports.
- To keep updated the register of all auditors working in the ABVTEX Program in the organization management mechanisms (new auditors may only act after previous registration and accreditation in ABVTEX).
- To sign contracts with all auditors accredited by the Program according to the rules of the Auditor Accreditation Procedure (**Annex 7**), working in the ABVTEX Program, as well as to sign a confidentiality agreement.
- To train the auditors in ABVTEX auditor training program.

- To keep a continuous program of evaluation and internal development regarding the performance of all their auditors working in the ABVTEX Program.
- To designate to work in the ABVTEX Program only teams (auditors, reviewers and others) whose qualifications meet the definitions of this **General Regulation** and its annexes.
- To send to ABVTEX the documentation referring to the auditors' evaluation, according to the criteria established by this **General Regulation**.
- To establish and sign a contract with the supplier and/or subcontractor who requested the audit.
- To keep complete confidentiality on the information of the suppliers and/or subcontractors accessed during the audits.
- To budget the audit activities to be carried out based on the reference values agreed with ABVTEX (available at ABVTEX Web Portal www.abvtex.org.br/como-iniciar-o-programa).
- To carry out the **Initial Audit** and **Renewal Audit** within a maximum period of 30 (thirty) days after receiving the request and carry out the commercial agreement with the supplier and/or subcontractor and having the supplier and/or subcontractor requested the link with the Audit Organization, whichever occurs later between these two situations.
- To comply with the rule that the audit dates should never be previously informed to the facility to be audited.
- To carry out audits according to the rules defined in this **General Regulation** and its annexes, adopting the [Checklist](#) defined by the ABVTEX Program.
- To respect the times designed for carrying out the audits as provided for in this **General Regulation**.
- To prepare the final audit report and enter it into the [ABVTEX Program System](#) within 10 (ten) business days from the start date of the audit, respecting the maximum deadlines for carrying out the audit.
- To register the full process, documentation and result of the audits in the [ABVTEX Program System](#).
- To participate in the ABVTEX technical meetings related to the Program and adopt the agreed measures.
- To respond within 48 (forty-eight) hours to the request for a commercial proposal from a supplier and/or subcontractor to carry out an audit.
- To have an internal Code of Conduct compatible with the [Code of Conduct of the ABVTEX Program](#) and duly known by the auditors.
- To be responsible for the costs of the **Observation Audits** and, when responsibilities are identified, for the costs of the **Verification Audits**, including the respective expenses.
- To inform in advance the audited facility (supplier and/or subcontractor) of the travel, daily and meal costs.

- Do not use the name, brand, images or any other materials identifying ABVTEX or the ABVTEX Program, without the prior consent of ABVTEX.
- To not use or reproduce the structure, format or data of the ABVTEX Program, except when performing their functions as an accredited Audit Organization and that are provided for in the contract or in this **General Regulation**.

2.3 Scope

The ABVTEX Program is applicable for all suppliers (headquarters and branches) and their subcontractors (including those that handle imported goods) that are already part of the supply chain of the signatory retailers of the Program or those who desire to join it by audits. The audited facilities may be classified in the category 'Both' when they are both a supplier and a subcontractor, subject to the peculiarities of each situation, as provided for in this **General Regulation**.

The facilities covered by the ABVTEX Program are those belonging to the sectors listed in **Annex 2** of this **General Regulation**. These facilities are all involved in the production process or in any process that requires circulation, storage, transshipment and/or any other activity in which there are products destined for or coming from the signatory retailers, including the mischaracterization process.

The products may have brands of the signatory retailers or own brands of suppliers and/or subcontractors, or also licensed brands of third parties.

It is also up to the signatory retailers to request, if they wish so, the certification of facilities belonging to the sectors already listed, which indirectly manufacture items with their brands and/or for their brands, such as uniforms, supplies, developers of prints with logos or any other facilities that the signatory retailer deems necessary.

Exceptionally, for products with suppliers' own brands or licensed brands from third parties, ABVTEX may, at its sole discretion and with the approval of the Program Governance Structure, recognize internal systems for monitoring production chains. In this case, this recognition should be formal and public, and the list of the recognized facilities should be included in the [ABVTEX Program System](#).

The ABVTEX Program is not yet designed to suppliers and/or subcontractors of raw materials. However, the adhesion of facilities under these conditions is optional, on the initiative of the audited facilities themselves or at the request of the signatory retailers of the Program.

Also, not covered by the ABVTEX Program are the suppliers and/or subcontractors that adopt the business model of:

- Individual Micro-Entrepreneur (MEI – Microempreendedor Individual);
- facilities that use labor from the prison system;
- facilities or organizations that are characterized as Social Projects or Businesses;
- workers or micro-entrepreneur cooperatives.

Such types of facilities demand specialized audits, whose requirements are not currently foreseen in the ABVTEX protocols. The signatory retailers that have suppliers and/or subcontractors in these conditions may adopt their own criteria for auditing these facilities, deciding whether to use or not their services, according to the control performed by them.

2.4 Governance

The ABVTEX Program has a Program Governance Structure responsible for developing, improving, controlling and managing the Program, with the following constitution and responsibilities:

ABVTEX Administrative Team

It is composed by ABVTEX workers, responsible for the operation of the ABVTEX Program, fulfilling its activities in accordance with this **General Regulation**, standards and procedures.

Working Group (Suppliers WG)

It is composed by a technical representative from each signatory retail network. It is not a deliberative forum: it acts as a technical body and advises the Management Committee regarding the technical information necessary for the deliberations on possible changes to the ABVTEX Program, having the following attributions:

- a. to carry out the tactical/operational monitoring of the Program;
- b. based on field observations, to propose, evaluate and technically validate the necessary changes to the protocols of the ABVTEX Program;
- c. to be the focus point between ABVTEX and the Signatory Retailers, exclusively in matters related to the operation of the ABVTEX Program in the field.

Management Committee

It is composed by a representative from each of the signatory retailers of the ABVTEX Program and its main attribution is to decide on the approval or veto regarding the changes in the ABVTEX Program, exclusively in its protocols ([Checklist](#), [Audit Manual](#), General Regulation and [Code of Conduct of the ABVTEX Program](#)). It also evaluates the conduction of the Program and may suggest or guide the actions necessary for its coordination and management.

The composition, organization and functioning of the Management Committee follows the provisions of its Internal Regulation, an integral part of this **General Regulation (Annex 12)**.

Arbitration Committee

Its function is to judge administratively, within the scope of the ABVTEX Program, situations of litigation, appeals or omissions of the **General Regulation**, which may be claimed by suppliers, subcontractors or other program agents. It is a responsibility of this Committee to investigate the complaints regarding the disrespect of the [Code of Conduct of the ABVTEX Program](#) and deliberate on appeals and complaints from suppliers and subcontractors regarding the results of the audit process.

The Arbitration Committee is established and ruled by the provisions of its Internal Regulation, which is an integral part of this **General Regulation (Annex 11)**.

Advisory Board

It is composed of representative entities of the society that, due to their vocation and way of acting, may contribute to the development of the ABVTEX Program. The functioning of the Advisory Board is established by an Internal Regulation, an integral part of this **General Regulation (Annex 10)**, highlighting the following actions:

- to analyze the ABVTEX Program and its requirements, suggesting adjustments and improvements, if necessary;
- to support the alignment of the concepts;
- to monitor the results of the ABVTEX Program and indicate paths for its evolution;
- to bring ABVTEX closer to government representative entities and non-governmental organizations, which may contribute to improve the working conditions in the fashion value chain;
- to support ABVTEX in divulging the Program to its relationship networks.

ABVTEX Board of Directors

It is the statutory administrative body of ABVTEX and the highest authority in the governance hierarchy of the ABVTEX Program. It acts as a regulator and decision maker when urged by other Program Governance Structures.

The functions assigned to ABVTEX Board of Directors by this Regulation may be performed by the Executive Board, a statutory position trusted by the Board of Directors which, when installed, has the necessary attributions to act within the scope of the ABVTEX Program. The functions of ABVTEX Board of Directors under this Regulation may also be performed by a proxy, provided that the power of attorney delimits the powers granted and observes the conditions defined in the ABVTEX Statute.

2.5 Transparency policy and information disclosure

The ABVTEX Program aims to meet the interest of the signatory retailers and consumers to ensure the licit origin of the manufacture of the products they sell and consume. The Program created a governance environment in the fashion value chain, ensuring the formalization of the facilities, improving the work relations and better health and safety conditions for the workers. As a result, the dissemination and expansion of good practices in the fashion value chain are already a reality among the Program signatory retailers.

Based on these values, the ABVTEX Program establishes as a policy the dissemination and sharing of information and good practices, broadly or narrowly, as the case may be, regardless of its size and positioning in the value chain.

The information transparency helps to highlight the relevant issues of interest to the links of the chain and consumer. Responsibly, the Program Governance Structure has the prerogative of defining the degree of criticality of the information and the extent of its disclosure, always with the objective of disseminating good practices to the market.

The ABVTEX Program also observes and adopts the best practices in privacy and protection of personal data, in accordance with the guidelines introduced by the new General Law for Protection of Personal Data (LGPD – *Lei Geral de Proteção de Dados* | Brazilian Federal law No. 13,709/2018), respecting and incorporating its principles and values to the principles of ABVTEX.

In compliance with the foundations of transparency, the information generated and/or obtained within the scope of the Program is divided as follows:

2.5.1 Information for unrestricted public disclosure

The information, data and texts classified in this item are public and of general interest to the society interested in the Program, besides being fully aligned with the basic principle of dissemination and promotion of good practices, as well as the preservation of privacy and protection of personal data. Thus, ABVTEX should publicly disclose, in an unrestricted manner and within the scope of the ABVTEX Program, the following data:

- the General Regulation and, consequently, the policies and procedures related to the ABVTEX Program in its entirety;
- any additional statement of value that it subscribes, through the participation in other sector initiatives, agreements and partnerships with entities or initiatives with multiple stakeholders;
- where relevant, the intention of collaboration for the development of public policies, as well as the results of its own involvement and that of other stakeholders;
- when engaging in other sector initiatives, in which specific actions ABVTEX, through the Program, is participating;
- the complete list of suppliers and/or subcontractors approved in the ABVTEX Program, as well as the classification within the Program, which, depending on the approval by the **Management Committee**, may disclose some professional data, such as, but not limited to **(i)** corporate name/trading name; **(ii)** CNPJ; **(iii)** address; **(iv)** region of operation (State and/or City); **(v)** number of workers; **(vi)** approval levels; and upon the express statement and consent of the suppliers and/or subcontractors by signing the Term of Participation of Supplier or Subcontractor (**Annex 3**);
- the status of the signatory retailers relating to the fulfillment of the agreements established in the ABVTEX Program, as established in the respective Regulation;
- any mechanisms that identify or promote facilities (Signatory Retailers, suppliers and/or subcontractors, or other stakeholders) that have significantly complied with the good practices recommended by the ABVTEX Program and established in the respective Regulation;

- consolidated annual report of the ABVTEX Program with a summary of information, evolution, challenges, initiatives and any other relevant aspect for disclosure. This publication should be presented in a precise, current and clear manner, in a simple and friendly language;
- other information and/or documents of general interest (society and other stakeholders) about the Program, which allow the dissemination and promotion of good practices, always preserving the principles and rights of privacy and protection of personal data.

2.5.2 Information for restricted disclosure to the ABVTEX Program participants

The information, data and texts classified in this category should be shared only with retailers, suppliers, subcontractors and Audit Organizations participating in the ABVTEX Program, in addition to ABVTEX members, as an entity. The definition of which tools and data should be restricted to the participants is a responsibility of the Program Governance Structure.

In this way, ABVTEX, within the scope of the Program, should provide tools to obtain the following:

- access to the features of the ABVTEX platform, with previously established restrictions, with access control and individual passwords. In addition to the information regarding the actions of the parties involved with each other, including suppliers/subcontractors, retailers or even Audit Organizations, within the [ABVTEX Program System](#);
- detailed result of the audit reports of the evaluated suppliers and/or subcontractors;
- corrective measure plans established, within the scope of the ABVTEX Program, for the evaluated suppliers and subcontractors;
- information that promotes opportunities for commercial relations among the Program Agents: Suppliers, Subcontractors, Signatory Retailers and Audit Organizations.

2.5.3 Targeted information

Certain situations that affect the Human Rights of the workers, identified during the formal audit process of the ABVTEX Program, may be brought to the attention of the authorities and public inspection organisms, at the discretion of the Program Governance Structure, for the appropriate measures.

In these situations, all personal data that may corroborate or support the information brought to the attention of authorities and public organisms should be made based on the limits of the rules and applicable law, preserving, whenever possible, the rights to privacy, intimacy, secrecy and confidentiality of personal data and its holders.

2.5.4 Hypotheses of non-disclosure

Always in the sense of prioritizing the guideline of promoting good practices or avoiding the disclosure of eventual problems that do not involve potential risks for the stakeholders or affected workers (including those arising from the disclosure of personal information), within the scope of the ABVTEX Program, the entity should not give general publicity, although it may disseminate in a restricted way among the signatory retailers:

- the relation, list or names of suppliers and/or subcontractors that eventually stop participating in the ABVTEX Program voluntarily or due to non-renewal of audits;

- the relation, list or names of suppliers and/or subcontractors that are not approved in the audits of the ABVTEX Program, due to non-compliance with the Program, excluding the situations described in **Item 3** of this chapter;
- the relation, list or names of signatory retailers that are suspended or excluded from the Program, or that have voluntarily withdrawn from it;
- issues identified in the audit on Labor Rights, in which facilities should, in these cases, communicate directly with their workers and unions to discuss the appropriate measures, when they deem relevant;
- information that poses risks to the affected stakeholders, in terms of personal aspects or commercial confidentiality.

2.6 Update/modification of the ABVTEX Program protocols

This **General Regulation**, together with the Audit [Checklist](#), [Audit Manual](#) and [Code of Conduct of the ABVTEX Program](#) constitute the *ABVTEX Program Protocols*. These *Protocols* may be modified and/or updated in two different ways, namely: Eventual Update or Regular Update.

These changes, among other reasons, may be carried out due to external needs or suggestions from the various stakeholders involved with the Program. The submission of these suggestions is free and may be done at any time, through the formal channels established by ABVTEX for this purpose.

2.6.1 Eventual update

In this case, the updates provided for in the Program do not generate structural changes. These updates may be carried out at any time, without the need of a formal process, and are intended to:

- changes in law that alter some points of the Program, without structural change;
- updates of already established rules, for better understanding or covering gaps or omissions;
- inclusion of some information necessary to clarify doubts in existing texts;
- corrections in the text, to give a clearer meaning to the established rules;
- update of annexes;
- any adjustment that does not redefine the principles established in the current **General Regulation**.

This form of update should not characterize a new version of the **General Regulation**, [Checklist](#) or [Audit Manual](#), but an update of the current version.

An Eventual Change should be evaluated by the ABVTEX Administrative Team and validated by the Program Management Committee.

2.6.2 Regular update

Applied to cases where there should be a structural change in the Program, such as:

- update of the law, changes in the government policies and regulatory standards that have a major impact on the criteria adopted by the Program;
- structural changes such as: significant changes in the [Checklist](#) or Evaluation Criteria of the approved facilities;
- inclusion of new chapters, exclusion or change of entire chapters of the **General Regulation**, as long as they modify the Program rules;
- adoption of new rules not previously covered by the current **General Regulation**.

This update should always characterize a new version of the *Protocols* and assumes the realization of consultations presented publicly, limited to the participants directly interested in the Program.

The term for a Regular Update should not be less than 1 (one) year from the date of the publication of the latest version of this **General Regulation**.

The Regular Update should be carried out respecting the following steps:

- a. Consolidation of the draft with the proposed changes;
- b. Public disclosure of the draft for the knowledge of the Program's stakeholders, identifying the expected changes;
- c. Submission of suggestions for the new version by the Program's stakeholders;
- d. Evaluation of suggestions received and final consolidation of the documents, publication and indication of deadlines for implementation.

The Regular Update should be conducted and coordinated by the ABVTEX Administrative Team, validated by Suppliers Working Group and approved by the Program Management Committee.

2.7 Adhesion of suppliers and their subcontractors to the ABVTEX Program

Despite establishing standards for monitoring the supply chain of the signatory retailers as a whole, the suppliers and their subcontractors should individually adhere to the ABVTEX Program. That is, each facility should formalize its membership independently.

To confirm this adhesion, the supplier and its subcontractors should:

- download the Program Participation Term, presented in **Annex 3** of this **General Regulation**, available at www.abvtex.org.br/sobre-o-programa;

- fill and sign the document (facility's legal representative, with notarized signature);
- insert the signed Participation Term and the image of the CNPJ document in the [ABVTEX Program System](#).

After inserting the documents in the [ABVTEX Program System](#) and evaluation from ABVTEX, the facility receives a login and password to access the [ABVTEX Program System](#) and, in this way, may request its **Initial Audit**.

The decision on which Audit Organization to hire is free, provided that the choice be made among the options of accredited organizations (list available at www.abvtex.org.br/organismos-de-audit). It is part of the process of choice to analyze the service period given by the organization, as well as the costs presented (the reference values are available at www.abvtex.org.br/como-iniciar-o-programa). There is no requirement for the subcontractor hiring the same Audit Organization hired by the supplier.

2.8 Adhesion of retailers to the ABVTEX Program

Retailer facilities that do not participate in the ABVTEX Program may join the Program as long as they assume the Program's commitments and should:

- establish previous contact with the entity's Executive Board, expressing the interest in participating in the Program and sending an e-mail to abvtex@abvtex.org.br;
- join the entity and sign an express commitment to the objectives of the Program, as described in this **General Regulation**.

2.9 Situation of the retailers in the ABVTEX Program, commitments and deadlines for adequacy of the supply chain

The ABVTEX Program is an initiative of the fashion retailers associated with ABVTEX to promote good practices and sustainability in their supply chains. The signatory retailers have a set of commitments to be observed, provided for in the Affiliation Agreement signed by the retailer upon its affiliation to the entity and in the Commitment Term (**Annex 4** of this **General Regulation**).

2.9.1 Commitment term

The Commitment Term (**Annex 4** of this **General Regulation**) is a document that ratifies the commitments assumed in the Affiliation Agreement by the signatory retailer to only use in its supply chain facilities that are in regular status in the ABVTEX Program, it is to say, that are approved in audits. The Commitment Term should be signed within 90 (ninety) days from the date of signature of the Affiliation Agreement and annually renewed.

In this way, the signatory retailer, through a Commitment Term, periodically indicates its situation:

- if it has 100% of its suppliers (and respective subcontractors) approved by the ABVTEX Program audits;
or
- if it is in the regularization process of its suppliers (and subcontractors).

The date of signature of the Commitment Term marks the effective entry of the new retailer in the ABVTEX Program and shows the status of its supply chain in the Program at the time of its signature and should stipulate, if applicable, the commitment of adequacy and approval of the full production chain. It should contain information on each brand (store brands) that the group has, if applicable. Thus, as an example, a group that has two different store brands should sign a Commitment Term with ABVTEX, informing the status of the supply chain of each one of the brands and the chain adequacy plans.

From the signature of the Commitment Term, the brands associated with the retailer become part of the ABVTEX Program marketing material and the retailer should be able to divulge its adhesion and participation in the Program.

2.9.2 Status and classification of the associated retailers

Despite being an already consolidated program in terms of monitoring the retail supply chain of clothing, footwear, fashion accessories and textile goods for home (bed, table, bath and decoration), the ABVTEX Program is dynamic regarding adhesion of new retailers, as long as they are affiliated to ABVTEX and the inclusion of new product categories. In this way, it may happen that a retailer does not have its chain fully (100%) audited because the necessary time to adapt its chain has not elapsed, or even when new product categories are introduced, for which retailers need time for the compliance with the ABVTEX Program rules.

To provide transparency to the actions of the participating retail facilities, the ABVTEX Program establishes a classification based on the information of the Commitment Term regarding the adequacy of the supply chain of each signatory retailer.

Table 1. Classification of the retailers for the ABVTEX Program	
Category	Conditions
Full	<ul style="list-style-type: none"> It has a Commitment Term that is signed and current, indicating full supply chain (100%) approved in the audits of the ABVTEX Program.
Developing	<ul style="list-style-type: none"> It has a Commitment Term that is signed and current, indicating that it does not have 100% of its supply chain approved in the ABVTEX Program; or A retailer classified as "Full" that did not renew its Commitment Term within 90 (ninety) days of the deadline.
Suspended	<ul style="list-style-type: none"> Retailer classified as "Developing", which did not renew its Commitment Term within 90 (ninety) days of the deadline; or Retailer classified as "Full", which did not renew its Commitment Term within 1 (one) year of the deadline; or Retailer classified as "Developing", which did not meet the objective of having 100% of its supply chain, after the limit required by the Program; or Retailer suspended from ABVTEX, according to the statutory rule of the entity.
Excluded	<ul style="list-style-type: none"> Retailer or brand classified as "Suspended" for at least 1 (one) year; or Retailer excluded from ABVTEX, according to the statutory rule of the entity.

2.9.3 Special situations

To correctly classify each retailer/brand in the ABVTEX Program, some special situations should be observed, as follows:

- the newly signatory retailers have a period of up to 2 (two) years (grace period), from the date of the Affiliation Agreement, for their entire supply chain to obtain the approval in the audits of the Program

– during this time, the rating should be “Developing”. If the retailer, during this period, presents a Commitment Term in which it certifies that has 100% of its supply chain approved in the Program, it should be classified as “Full”;

- the retailers/brands that are classified as “Suspended” or “Excluded” should only be reincorporated into the Program when they may sign a new Commitment Term stating that they have 100% of their supply chain approved in the audits of the Program. In this case, the retailer/brand should be reincorporated in the “Full” category;
- the ABVTEX Administrative Team, on its own initiative, may place a Signatory Retailer in the “Suspended” category, in case of default of the Retailer with the ABVTEX Program. This action should be communicated to the Signatory Retailer 15 (fifteen) days before the formalization of the act;
- the ABVTEX Administrative Team, in exceptional situations, may review some situations for the classification of a Signatory Retailer. This exceptionality may occur for external reasons or in special conditions associated with the Retailer. For any action in this sense, the ABVTEX Administrative Team should maintain the documentation regarding the situation in which the action was taken and inform the Signatory Retailer of its situation and the deadline for its adequacy.

2.9.4 Forms of disclosure

ABVTEX maintains an updated list of retailers/brands and their classification in the ABVTEX Program at www.abvtex.org.br/varejistas-signatarias.

3 TYPES OF AUDITS PROVIDED FOR IN THE ABVTEX PROGRAM

Audit is the systematic, documented and independent process for obtaining evidence relating to the requested requirements and for objectively evaluating them to determine the extent to which certain criteria are met. Within the scope of the ABVTEX Program, there are 5 (five) classifications for the audits performed on Suppliers and/or Subcontractors: **Initial Audit**, **Follow-Up Audit**, **Renewal Audit**, **Verification Audit** and **Change of Address Audit**, **Physical Structure Audit** and **New Workers Audit**.

In addition to these, the Program provides for a sixth modality classified as **Agent Audit**, which, despite not being linked to direct actions of the ABVTEX Program, may exist based on the specifications defined in this chapter of the **General Regulation**.

3.1 Initial Audit

It is the first audit to be performed on the supplier and/or subcontractor, to obtain the approval in the ABVTEX Program.

The **Initial Audit** follows the audit procedures described in **Item 4** of this **General Regulation**.

In the case that any unacceptable infraction is evidenced (with a criticality level of **ZERO TOLERANCE** in the [Checklist](#)) during the **Initial Audit** (child labor, forced or analogous to slave labor, irregular foreigner work, among others), the supplier and/or subcontractor should have the status "Disapproved" and the facility should not be able to participate in a new audit process for 6 (six) months from the verification date of the infraction.

If any unacceptable infraction is revealed (with a criticality level of **ZERO TOLERANCE** in the [Checklist](#)) during the **Initial Audit** (child labor, forced or compulsory labor, irregular foreign labor, among others), the supplier and/or subcontractor will be with the status of failed and the company will not be able to participate in a new audit process for 6 (six) months, from the date of verification of the infraction.

It is worth reinforcing the information in the [Audit Manual](#), Thematic Block #2.9 - Working Conditions/Salary and Compensation, that in the audit process "the 12 (twelve) last payslips (proof of payment) of the workers should be requested and verified 3 (three) documents: the most recent, the one from the period of highest productivity (peak period) and the one from the lowest period of productivity. Analyze whether they are receiving remuneration in accordance with the Employment Contract and registration with the CTPS (the documents should be updated in relation to the salary amount). Verify whether FGTS is being collected.

Therefore, the facility should have at least 3 (three) months of payroll for presentation.

When the audit starts, the facility should carry out the **Initial Audit** and eventual **Follow-Up Audit** with the same Audit Organization until the conclusion of the process.

3.2 Renewal Audit

It is the audit to be carried out on suppliers and/or subcontractors to renew the approval previously obtained, before the expiration date. This audit should be requested by the interested supplier and/or subcontractor in advance for the renewal of the **Initial Audit** and subsequent **Renewal Audits**, before the respective expiration date. Therefore, it is an obligation of the facility to schedule the **Renewal Audits**.

The **Renewal Audit** follows the audit procedures described in **Item 4** of this **General Regulation**.

The **Renewal Audit** is carried out on an unannounced basis.

In the case that any unacceptable infraction is evidenced (with a criticality level of **ZERO TOLERANCE** in the [Checklist](#)) during the **Renewal Audit** (child labor, forced or analogous to slave labor, irregular foreign work, among others), the supplier and/or subcontractor should have the status "Suspended" and the facility should not be able to participate in a new audit process for 6 (six) months from the verification date of the infraction.

Each facility approved in the ABVTEX Program should carry out the **Renewal Audit** up to 4 (four) months before the anniversary of its **Initial Audit**. At each renewal, the facility should contact an approved Audit Organization. This contact may be with the same Audit Organization that carried out the previous audit or a new one. Regarding a new Audit Organization, the facility should authorize the access of the new Audit Organization to its audit history.

3.3 Follow-Up audit

It is a reduced audit, in person or remotely, to evaluate some requirements of the [Checklist](#) of the ABVTEX Program, following all the procedures provided for the audits, according to **Item 4** and **Item 5** of this **General Regulation**.

A **Follow-Up Audit** is characterized exclusively as a review of nonconformities identified in an **Initial Audit** or **Renewal Audit**. The review of nonconformities may have as objective to reevaluate the status of the supplier and/or subcontractor to obtain the approval in the ABVTEX Program, when the facility does not meet the minimum condition for its approval, or when, even if approved, it intends to improve its classification in the Program. In the latter case, a **Reclassification Follow-Up Audit** should be considered. When carrying out a **Follow-Up Audit**, the supplier and/or subcontractor may align with the Audit Organization the nonconformities it wants to review, provided that the set of reviews be necessary and sufficient for the review of its status in the ABVTEX Program, as well as, there is no need of reviewing all nonconformities.

Any **Follow-Up Audit**, regardless of its purpose, should be completed within a maximum of ninety (90) days after the completion date of the audit the facility intends to review (**Initial Audit** or **Renewal Audit**). Within the period of 90 (ninety) days, as many **Follow-Up Audits** may be carried out as necessary.

In all cases, the final date corresponds to the closing date of the final report in the [ABVTEX Program System](#), by the Audit Organization.

The **Follow-Up Audit** is carried out unannounced. The **Follow-Up Audit** should be carried out by the same Audit Organization that performed the original (**Initial Audit** or **Renewal Audit**) and may be carried out in person or remotely. A **Follow-Up Audit** may be carried out remotely only in cases of exclusively documentation revalidation. In the case where the revalidation depends on an in-person evaluation, such as situations of re-verification of the facilities or even the need for new interviews with the workers, the **Follow-Up Audit** should necessarily be in person.

The in-person audit is the standard format for the **Follow-Up Audit**. It should be carried out whenever, at least, one of the requirements that has presented nonconformity requires the presence of an auditor for its reevaluation. In this case, the auditor should carry out the **Follow-Up Audit** at the same location of the original audit.

The remote audit is carried out with the posting of documents in the [ABVTEX Program System](#) for evaluation of the Audit Organization. It can be performed if, and only if, all requirements to be reevaluated allow this validation and the set of requirements in this condition allows the review of the overall result of the original audit (**Initial Audit** or **Renewal Audit**). If the set of requirements to be remotely evaluated is not sufficient to review the result of the original audit, the remote **Follow-Up Audit** should not be carried out.

The situations for a **Follow-Up Audit** are the following:

- the supplier and/or subcontractor is not approved in the **Initial Audit** or **Renewal Audit** and do not have any **ZERO TOLERANCE** nonconformity. For this situation, the facility may request a complete or partial review of the nonconformities of the **Basic Block**, to the extent necessary so that it obtains, at least, the necessary classification for its approval;
- the supplier and/or subcontractor is approved in the **Initial Audit** or **Renewal Audit**, but do not achieve the desired classification, as established in **Item 5** of this **General Regulation**. Also in this case, the facility may request a complete or partial review, but the nonconformities to be reviewed are from the **Superior Block**, as long as it obtains the minimum situation for the classification it intends to achieve.
- there may still be a situation where the supplier and/or subcontractor is not approved, but want not only the approval, but a classification above what is required for approval. In this situation, the **Follow-Up Audit** may also be performed, provided that the facility obtains all necessary approvals.

Under no circumstances should the terms be cumulative, that is, the fact that a supplier and/or subcontractor obtains approval for a **Follow-Up Audit** should not result in a new period of 90 (ninety) days for a **Follow-Up Audit** of the facility's classification.

3.4 Verification Audit

The **Verification Audit** consists of performing a new audit on a supplier and/or subcontractor already audited and approved by an Audit Organization, using the same methodology and based on the same [Checklist](#) used in the regular audits of the ABVTEX Program. The objective is to confirm the results of the audit previously performed and control eventual deviations or irregularities.

As it is a review process, a **Verification Audit** is carried out by an independent organization of the Audit Organizations that carried out the last audit on the supplier and/or subcontractor. In other words, the ABVTEX Administrative Team should appoint another Audit Organization exclusively to carry out this activity, which may be the Supervisory Organism or another Audit Organization approved for the Program.

The **Verification Audit** is carried out in an unannounced manner and has an exceptional character, that is, there is no routine, date schedule or number of items to be verified in the checklist previously determined for its accomplishment. It may be performed in any period within the ABVTEX Program.

The purposes for carrying out a **Verification Audit** are:

- a. to validate or review the status of the supplier and/or subcontractor in the ABVTEX Program;
- b. to present any deviations between the **Verification Audit** and the audit originally carried out by the Audit Organization;

- c. to present to the ABVTEX Administrative Team a diagnosis regarding the reasons for the existence of deviations that may be observed;
- d. to identify, within this diagnosis, any responsibilities of agents of the ABVTEX Program, individually or corporately, in the deviations found in the **Verification Audit**.

Due to this exceptional character, a **Verification Audit** should be requested by the following means:

- a. by the Arbitration Committee, as an instrument for verifying in progress processes or judgment, in situations where there is no sufficient documentation evidence presented for the definition of sanctions or validation.

In this case, the cost of the **Verification Audit** should be from ABVTEX which, depending on the result, may request reimbursement:

- i. With the Audit Organization, when the facility's culpability is proven and the Organization's negligence in carrying out the **Original Audit** is evidenced;
 - ii. With the complainant, in cases of complaint, when the fragility of the complaint is evident by the results obtained in the **Verification Audit**.
- b. by the ABVTEX Administrative Team through a formal request of the agents of the Program or by decision of ABVTEX itself, with a careful analysis of the need for its implementation, provided that:
 - i. there is a complaint arising from the **Agent Audit**, or even from the complaint instruments of ABVTEX itself, for extreme cases, such as analogous to slave labor, child labor or irregular foreign work, in which the documentation evidence presented for the definition of sanctions is not sufficient. In this case, the cost of the **Verification Audit** should be of ABVTEX, which, depending on the result, may request reimbursement from the complainant, when the fragility of the complaint is evident by the results obtained in the **Verification Audit**;
 - ii. when there is a request of the agents of the Program, it should be made formally, with arguments and evidence that may justify the action, in addition to being accepted by ABVTEX. In this case, all costs and expenses arising from carrying out the **Verification Audit should** be of the complainant.

The **Verification Audits** should not be carried out if the document presented, both in complaints and in defense proceedings, is sufficient for the entity to make a decision regarding the confirmation or withdrawal of sanctions. For this, the rules established in **Item 7.5 Penalties** of this **General Regulation** are followed.

The result of a **Verification Audit** in the [ABVTEX Program System](#) is considered as a new audit, that is, the results of a **Verification Audit** overlap with those of the regular audit evaluated in the **Initial Audit** or **Renewal Audit**. Thus:

- a. the **Verification Audit** becomes part of the supplier and/or subcontractor audit history, provided that about the audited facility changes;
- b. during the registration of the **Verification Audit** in the [ABVTEX Program System](#), by the Supervisory Organism or by another Audit Organization, both the score and the status of the supplier and/or subcontractor should be updated;

- c. despite being a new audit, a **Verification Audit** does not change the expiration date of the regular audit evaluated by it. Thus, the supplier and/or subcontractor should request a **Renewal Audit** within the regular established deadlines, regardless of whether a **Verification Audit** has been carried out.

All procedures for carrying out an **Initial Audit** or **Renewal Audit** should be observed to carry out a **Verification Audit**, except for the characteristics described in this chapter of the **General Regulation**.

3.5 Change of Address Audit

The **Change of Address Audit** consists of the conduction, by an Audit Organization, of a complete audit of a supplier and/or subcontractor that has already been audited and approved. To carry out a **Change of Address Audit**, all procedures for carrying out an **Initial Audit** or **Renewal Audit** should be observed, except for the characteristics described in this chapter of the **General Regulation**. A failure to comply with the rules of this item may result in penalties for the audited facility, as specified in **Item 7.5 Penalties** of this **General Regulation**.

A **Change of Address Audit** is mandatory for the supplier and/or subcontractor whenever the facility is in at least one of the following situations:

1. the facility physically and/or formally changes its address, even if close to the previous address, as long as it maintains the same CNPJ in which the audit that approved it was carried out;
2. the facility physically expands its manufacturing unit by adding another contiguous building, even if it has kept the original address;
3. the facility attaches another space on another floor in the same building or warehouse at the same address, provided that these new spaces were not present on the date of the last audit and even if the audited facility keeps its original address.

The **Change of Address Audit** is carried out on an unannounced basis and is exceptional. The objective of this type of audit is to verify if the conditions observed in the previous audit were maintained and/or improved to control eventual deviations or irregularities.

When meeting at least one of the above-mentioned necessary conditions, the supplier and/or subcontractor should immediately inform the ABVTEX Program of its situation, using the date on which the change was completed as the base date for this communication. Thus, to remain in compliance with the ABVTEX Program, the supplier and/or subcontractor should:

1. immediately communicate the new situation by entering the [ABVTEX Program System](#), updating the registration information: the facility's address data. From the date of update in the [ABVTEX Program System](#), the regulatory deadlines for the regularization of the supplier and/or subcontractor start to count;
2. contract a new audit with the Audit Organization;
3. obtain an approval for this new audit within a maximum of 90 (ninety) days from the base date;

It is necessary to present at least 1 (one) payroll made at the new location/address on the date of the audit.

As this is a new complete audit, the results of this audit become the updated situation of the supplier and/or subcontractor, as follows:

- a. the **Change of Address Audit** becomes part of the supplier and/or subcontractor audit history;
- b. when concluded the **Change of Address Audit**, by the Audit Organization, both the classification and the status of the supplier and/or subcontractor should be updated.

The **Change of Address Audit** changes the expiration date of the Certificate of Approval. Thus, the anniversary date for renewal becomes the date of completion of the **Change of Address Audit**. The supplier and/or subcontractor should request a **Renewal Audit** within the new established deadline.

A **Follow-Up Audit** for a **Change of Address Audit** is allowed when the supplier and/or subcontractor facility is not approved. All the rules provided for the **Follow-Up Audit**, including the criteria for evaluation, approval and classification of the audited facilities should be observed.

The fact that there is the possibility of a **Follow-Up Audit** for a facility that has undergone a **Change of Address Audit** does not in any way extend the facility to previous condition. Thus, the facility should have the status of the **Change of Address Audit**, until the **Follow-Up Audit** is completed, or a new **Renewal Audit** is carried out.

3.6 Physical Structure Audit

The **Physical Structure Audit** consists of carrying out a prior audit on a supplier and/or subcontractor due to the impossibility of carrying out a complete **Initial Audit**, with the objective of enabling the entry of a newly installed facility in the ABVTEX Program. This type of audit allows the temporary approval of a supplier and/or subcontractor in the ABVTEX Program, during a period of 90 (ninety) days, until the facility has the necessary conditions to complement the audit and characterize an **Initial Audit**.

3.6.1 General rules for conducting the Physical Structure Audit

For a **Physical Structure Audit**, all procedures for carrying out an **Initial Audit** or **Renewal Audit** should be observed, except for the characteristics described in this chapter of the **General Regulation**.

To be able to carry out a **Physical Structure Audit**, the supplier and/or subcontractor should comply with all the following requirements:

1. the facility should be new, that is, it was formally and physically installed, at most, in the last 06 (six) months and should be in one of the following situations:
 - a. entirely new facility, with or without previous corporate relation with facilities previously approved in the ABVTEX Program;
 - b. new branch of a facility previously approved in the ABVTEX Program, characterized by having a new building at an address different from any other previously approved by the ABVTEX Program.
2. the facility does not yet have production and does not have workers to carry out the planned production;

3. the facility does not have any history of workers, or newly hired workers with less than 3 (three) payrolls already completed, which makes it impossible to carry out a complete **Initial Audit**. It does not have proof of labor relations practices, nor does it have workers to be interviewed to check these practices;
4. the facility has approval from at least one of the signatory retailers to carry out this audit.

The **Physical Structure Audit** is carried out in an unannounced manner, has an exceptional character and should be carried out exclusively for the evaluation of the structure and all documents related to the formalization and regularization of the facility. This type of audit should cover all aspects presented in the [Checklist](#), except for the aspects related to the verification of the labor relations. Thus, the following items are **excluded** from the evaluation of the **Physical Structure Audit**:

- item 1.8 of Thematic Block #1 “Formalization and documentation”;
- Thematic Block #2 “Working Conditions”, complete;
- items 3.4.6, 3.4.11 and 3.4.12 of the Thematic Block #3.4 “Regulatory standards”;
- Thematic Block # 3.5 “Personal protective equipment”, complete;
- Thematic Block #3.6 “Handling of chemicals”, complete;
- Thematic Block #5 “Validation of the production chain”, complete;
- Thematic Block #6 “Transparency and management practices”, complete;
- Thematic Block #7.2, complete;
- Thematic Block #7.3, complete, except item 7.3.1;
- Thematic Block #7.4, complete, except item 7.4.1;
- Thematic Block #7.5, complete.

As this is a new audit, the **Physical Structure Audit** may be carried out by any of the accredited Audit Organizations and, as it does not address aspects related to labor relations, its duration should not follow Table 2 (**Item 4.1**) of this **General Regulation**.

At the end of the **Physical Structure Audit**, the non-assessed questions should remain unfilled for later completion and the audit should be considered completed when it passes the review by the Audit Organization.

3.6.2 Criteria for temporary approval

After the conclusion of the **Physical Structure Audit**, the facility may be classified as “Approved-Temporary”. This situation should be granted to the facility for 90 (ninety) days from the end of the audit, if it has not exceeded the minimum levels for approval in the ABVTEX Program, that is:

- it does not have Zero Tolerance nonconformity in the evaluated questions of the Basic Block;
- it does not have Critical nonconformity in the evaluated questions of the Basic Block;
- it does not exceed 10 (ten) lost points in the questions with Major and Minor criticality, in the evaluated questions of the Basic Block;
- it does not have 2 (two) nonconformities with Major criticality in the same block, in the evaluated questions of the Basic Block.

If the supplier and/or subcontractor do not meet the minimum requirements, the audit should be classified as “Not Approved” and should not be temporarily allowed to supply. In this case, to obtain the Certificate of Approval of the ABVTEX Program, the facility should restart the process and request a new **Physical Structure Audit** or **Initial Audit**.

The approval or non-approval in the **Physical Structure Audit** becomes part of the supplier and/or subcontractor audit history, including the result obtained. And, by being classified as “Approved-Temporary”, the facility may receive orders and start the production for any of the signatory retailers.

3.6.3 Complementary Initial Audit

As the approval obtained from a **Physical Structure Audit** is temporary, the supplier and/or subcontractor should obtain its definitive status by carrying out an **Initial Audit**, to complement the facility evaluation. This complementary **Initial Audit** should be completed within 90 (ninety) days from the completion of the **Physical Structure Audit**. Failure to complete this complementary **Initial Audit** within the established period automatically leads the facility to have the status of “Suspended”, having to restart its process and request a new **Initial Audit** in the ABVTEX Program.

The complementary **Initial Audit** follows all the criteria defined for a normal **Initial Audit**, except under the conditions specified in this chapter. It is carried out in an unannounced way, has an exceptional character and should be carried out by the same Audit Organization that carried out the **Physical Structure Audit**. The time for its realization should follow the MD sizing provided for in Table 2 (*Item 4.1*) of this **General Regulation**, according to the number of workers of the facility.

The performance of the complementary **Initial Audit** should have the following characteristics:

- it is partial, that is, the audit does not cover all aspects of the [Checklist](#);
- the items that were not assessed in the **Physical Structure Audit** should be evaluated;
- in addition to the non-assessed items, some checklist items should be reviewed, since they may change due to the presence of workers from the previously assessed location. Therefore, the following items should be reassessed:
 - items 1.3, 1.4 and 1.5 of Thematic Block #1 “Formalization and documentation”;
 - Thematic Block #3.1 “Working conditions and infrastructure”, complete;
 - Thematic Block #3.2 “Changing rooms and bathrooms”, complete;

- Thematic Block #3.3 “Dining hall”, complete;
- Thematic Block #3.4 “Regulatory standards”, complete;
- Thematic Block #4.2 “Fire prevention and firefighting”, except item 4.2.1;
- items in which nonconformities were found in the **Physical Structure Audit** should also be reviewed in this complementary **Initial Audit**.
- the facility should present at least 2 (two) payrolls to carry out the complementary **Initial Audit**.

3.7 New Workers Audit

The **New Workers Audit** consists of carrying out a complete audit on a supplier and/or subcontractor already audited and approved by an Audit Organization.

To carry out a **New Workers Audit**, all the procedures of an **Initial Audit** or **Renewal Audit** should be observed, except for the characteristics described in this chapter of the **General Regulation**. Failure to comply with the rules of this item may result in penalties for the audited facility, as specified in **Item 7.5 Penalties** of this **General Regulation**.

Conducting a **New Workers Audit** is mandatory for the supplier and/or subcontractor whenever the facility was originally audited as a *“The facility is legally composed only by partners”* and during the validity of its Approval Certificate it started to have at least one worker.

The **New Workers Audit** is carried out on an unannounced basis and is exceptional. The purpose of this type of audit is to reevaluate the facility in terms of its new operating format.

When the facility is in the condition established in this item of the **General Regulation**, the supplier and/or subcontractor facility should immediately notify the ABVTEX Program of its situation, considering the base date for this communication the date on which it registered its first worker. Thus, to remain in compliance with the ABVTEX Program, the supplier and/or subcontractor should:

1. communicate immediately, on a mandatory basis, its new situation as follows:
 - update its registration information in the [ABVTEX Program System](#), updating the facility data;
 - communicate to the Audit Organization, by e-mail, specifying the situation in which the facility is considered;
 - in this case, the deadline for completing the process starts from the update date in the [ABVTEX Program System](#);
2. hire a new audit with the Audit Organization;
3. obtain approval for this new audit within a maximum of 90 (ninety) days from the base date. In this situation, the audited facility should submit, and the Audit Organization should require 2 (two) complete payrolls for concluding the audit process.

As it is a new complete audit, the results of this audit become the updated situation of the supplier and/or subcontractor, as follows:

- a. the **New Workers Audit** becomes part of the supplier and/or subcontractor audit history;
- b. after conclusion of the **New Workers Audit**, by the Audit Organization, both the classification and the status of the supplier and/or subcontractor should be updated.

The **New Workers Audit** changes the expiration date of the Certificate of Approval. Thus, the anniversary date for renewal becomes the completion date of the **New Workers Audit**. The supplier and/or subcontractor should request a **Renewal Audit** within the new established deadline.

A **Follow-Up Audit** for a **New Workers Audit** is allowed in situations where the supplier and/or subcontractor facility is not approved. All the rules provided for the **Follow-Up Audit**, including the criteria for evaluation, approval and classification of the audited facility should be observed.

The fact that there is the possibility of carrying out a **Follow-Up Audit** in facilities that have undergone a **New Workers Audit** does not, under any circumstances, extend the facility previous condition. Thus, the facility should maintain the status obtained in the **New Workers Audit** until the **Follow-Up Audit** is completed or, without it, until a new **Renewal Audit** is carried out.

3.8 Agent Audit

The ABVTEX Program is characterized by being a collaborative action led by facilities and national retail groups, characterized here as Signatory Retailers. Thus, in addition to the regular processes defined throughout this **General Regulation**, the Signatory Retailers, at their discretion, have the practice of carrying out eventual verifications or audits of their suppliers and/or subcontractors.

Such audits may eventually identify important nonconformities in facilities already approved in the ABVTEX Program, characterizing the need for a review of the facility status according to the ABVTEX Program. Under these conditions and always observing all provisions in this chapter of the **General Regulation**, the auditors linked or designated by the Signatory Retailers should be considered Agents of ABVTEX, thus constituting an **Agent Audit**.

An **Agent Audit** is intended to enable a review of about facilities already approved in the ABVTEX Program, when there is relevant evidence of nonconformity with any requirement of the ABVTEX Program. This audit format only exists if the Signatory Retailer formalizes the nonconformities found in suppliers and/or subcontractors according to ABVTEX and the formalization of the **Agent Audit** is mandatory, given by the construction of an exclusive report for this process (which in this case should be equivalent to the Audit Report of the ABVTEX Program). This report should mandatory contain:

- specification of the conditions under which the verification or internal audit was carried out, with data on arrival and departure times; audit address; identification if the action was announced or unannounced; number and identification of Signatory Retailer auditors; representative or worker of the supplier and/or subcontractor who received the audit and was notified of the event;

- identification of the [Checklist](#) item that was evaluated, and the nonconformity observed, with description of the nonconformity, evidence that proves the evaluation carried out, such as facility pictures, copies of documents, or any other information that confirms the fact. All information and evidence should be in accordance with the [Audit Manual](#).
- identification of those responsible for the observations: representative of the Signatory Retailer before the ABVTEX Program, who should sign the document validating the nonconformities found; responsible person for the legal sector, who should sign the document giving the Signatory Retailer consent to the report.

The report should be forwarded to the ABVTEX Administrative Team, addressed to the official Program e-mail (programa.abvtex@abvtex.org.br) or by mail to ABVTEX headquarters.

From the formalization of an **Agent Audit**:

- the Signatory Retailer assumes the responsibility for the information provided, as with the Audit Organizations and their auditors within the ABVTEX Program;
- the report sent to ABVTEX, as well as the documents attached to it, may be shared, as well as the audit reports developed by the Audit Organization.
- the acceptance of the report and the characterization of the found nonconformities are of exclusive competence of the ABVTEX Administrative Team, after evaluating the report and the consistency of the evidence.

The **Agent Audit** has an exceptional character. It only happens by initiative of one of the Signatory Retailers when it understands that there is relevant information about a facility approved in the ABVTEX Program. Furthermore, as a matter of principle, there is no automatic link between the audits carried out by the Signatory Retailers and the ABVTEX Program and the provisions and rules established herein should be observed.

The result of an **Agent Audit** in the [ABVTEX Program System](#) should not be considered as a new audit for historical effect. However, its result may change the status of the supplier and/or subcontractor.

The registration of this **Agent Audit** should be carried out by the ABVTEX Administrative Team in the [ABVTEX Program System](#), and despite any change in the status of the supplier and/or subcontractor there should be no change in the due date of the regular audit or anniversary date.

3.9 Remote Audit

It consists of carrying out an audit in a no in person manner, using technological tools for remote meetings or any other technology, provided that it is previously approved by the ABVTEX Administrative Team.

A **Remote Audit** may be performed for any of the audit modes provided for in this **General Regulation**, except in the case of an **Agent Audit**.

The **Remote Audit** mode may not be performed at any time, but only in exceptional cases. The characterization of exceptionality for using the **Remote Audit** mode is of exclusive competence of the ABVTEX Administrative Team, which should, when applicable:

- formalize the conditions under which authorization for this mode of audit may be granted;
- indicate or approve the means by which this audit mode should be applied.

All the conditions expressed for the audit modes, present in this **Item 3**, as well as all the requirements presented in the Audit Procedures, present in **Item 4** of this **General Regulation**, should be followed.

4 AUDIT PROCEDURES

4.1 Sizing of the audit

For the correct sizing of the time to carry out the audits, the following factors should be considered:

- it is necessary to carry out an audit process for each CNPJ;
- when the facility has more than one CNPJ, it is necessary to carry out separate audit processes for each one;
- when there are 2 (two) or more CNPJs in the same facility and in segments related to the scope of the ABVTEX Program, even if there is no link and/or facility relation, the audited facility should inform this situation to the Audit Organization when requesting the proposal – in this case, all CNPJs should be audited.

When formalizing the proposal, the facility should inform the Audit Organization and should check the following conditions:

- if the audit should be carried out in a facility classified as a ‘Supplier’, ‘Subcontractor’ or ‘Both’;
- if the audit should be an **Initial Audit**, **Renewal Audit** or **Follow-Up Audit**;
- if the facility belongs to the group of facilities with greater requirements in the environmental field, such as laundries, stamping, dyeing, footwear industries or others that have additional processes with environmental impacts;
- if the facility should also be evaluated in terms of Governance in socio-environmental processes;
- if there is more than 1 (one) CNPJ at the same audit location.

Considering all characteristics of the facility to be audited, in the typical case of the ABVTEX Program, the sizing agreed with the Audit Organizations is described in the following tables.

Table 2. Sizing of the audit days (Valid for Suppliers*, Subcontractors and Both)		
Number of workers in the facility	Audit time** (Initial or Renewal)	Equivalence in men/day (MD)
Up to 20	4 hours	0.5 man/day
From 21 to 50	8 hours	1.0 man/day
From 51 to 100	12 hours	1.5 men/day
From 101 to 500	16 hours	2.0 men/day
500+	Negotiation / case-by-case basis***	-

* MDs may be added, in addition to that is provided in the table above, to the duration of the audits in the following cases:

- addition of another 4 (four) hours of audit (equivalent to 0.5 man/day) in the case of direct retail Suppliers, for the validation of the informed list of subcontractors;
- addition of another 4 (four) hours of audit (equivalent to 0.5 man/day) in the case of facilities that have Governance processes (Block 6 of the Checklist) to be evaluated by the Audit Organization;
- addition of another 4 (four) hours of audit (equivalent to 0.5 man/day) in the case of facilities with greater demands in the environmental field (Block 7 of the Checklist), such as laundries, stamping, dyeing, footwear industries or others that have additional processes with environmental impacts.

** Travel time and report preparation are already included in the above sizing, in cases of displacements up to 100 km. In case there is more than 1 (one) facility installed at the same location, the preparation of each report (by CNPJ) should be separately charged.

*** The audit time for facilities with more than 500 corks should be directly negotiated between the audited facility and the Audit Organization.

Table 3. Sizing of the audit days – Follow-Up Audit (Valid for Suppliers, Subcontractors and Both)	
The Audit Organization should determine the time needed for this follow-up, which may vary*:	From 0.25 to 1 man/day

* Depending on the quantity and type of checks required.

The reference values for carrying out the audits (value “man/day”) are available at ABVTEX Web Portal (www.abvtex.org.br/como-iniciar-o-programa).

There are also related costs that should be specified in the Audit Organization commercial proposal, such as:

- taxes;
- auditor travel expenses (when applicable);
- cancellations and rescheduling of activities with a term of less than 10 (ten) business days from the scheduled date for the audit should result in a fine collection.

All these conditions should be negotiated directly between the facility to be audited and the Audit Organization.

Important: if there are no workers on the day of the audit, the audit should be canceled without refund of the amounts paid, and the audit should be rescheduled.

4.2 Field Audit

The audit (covering the **Initial Audit**, **Follow-Up Audit** or **Renewal Audit**) has some predefined moments, which should be followed in the ABVTEX Program.

The purpose of the field audit is to confirm if the facility management and its activities are in compliance with the requirements of the ABVTEX Program. This confirmation is done through the following actions:

- a brief opening meeting by the auditor at the beginning of the audit;
- the audit follows the plan, and the auditor is accompanied by the auditee representative throughout the process, except during the interviews with the workers;
- objective evidence and documents should be examined to support the suitability of the supplier and/or subcontractor to the requirements of the ABVTEX Program (the list of documents that should be analyzed is available at www.abvtex.org.br/como-iniciar-the-program);
- concerning identifying nonconformities, these should be immediately reported to the facility representative and pictures should be taken to register;

- the audit follows the [Checklist](#), which includes the requirements for the supplier and/or subcontractor, as described in **Annex 13** of this **General Regulation**. The facilities classified in both categories (supplier and subcontractor) should follow the rules applicable to suppliers, even if they also appear as subcontractors;
- a closing meeting, as a formal conclusion of the field audit.

4.2.1 Interviews and analysis of the documents

Within an audit process, some interviews are carried out as a complement to the gathered document information. The interviews are individual and in groups and should take place in privacy, that is, the monitoring of the interview by superiors of the facility should not be authorized.

During the interviews and access to the necessary documents, all rules and good practices for preserving the privacy and protecting the personal data of their holders should be observed.

The main criteria to be observed by the auditors when selecting people to carry out interviews are the following:

- interviews should be carried out with workers in the Production Area, if the facility does not have any production process, but has workers in the Administrative Area, the latter should be selected;
- when selecting workers for interviews, priority should be given to foreign workers, in addition to pregnant women;
- for group interviews, form groups of a maximum of 5 (five) workers;
- if the facility has up to 5 (five) workers, the interviews should be exclusively individual and the auditor should interview 50% of the workers from the Production Area or, in their absence, complete the number with workers from the Administrative Area.

Table 4. Minimum number of interviewed workers (Valid for Suppliers, Subcontractors and Both)			
Number of workers at the facility	Total number of interviews*	Number of individual interviews	Number of group interviews**
Up to 20***	4	4	0
21 - 50	7	4	3
51 - 100	10	5	5
101 - 500	15	7	8
500+	20	10	10

4.2.2 Validation of the list of subcontractors

The ABVTEX Program requires audited facilities that act as Suppliers, even if they accumulate the status of Subcontractors, to validate the list of Subcontractors that are in their own supply chain. If the Supplier has its own facility as a Subcontractor, this facility should also be included in this list, highlighting this information.

This list should be completed by the Supplier and validated by the Audit Organization during each audit. The purpose of this validation is to ensure that the Supplier is fully and correctly informing all its Subcontractors that produce parts for any of the signatory retailers of the ABVTEX Program. To this purpose, the movement of materials, by-products and products should be analyzed through invoices, invoice book or invoice issuance system.

During each audit, the audited facility should make a statement, which should be signed by the person(s) who hold the legal representation of the facility under the terms of its constitutive documents (articles of association, statute or equivalent) and physically delivered to the auditor, stating the veracity and completeness of said list of Subcontractors. This statement should also include the commitment to update the list in the [ABVTEX Program System](#) whenever there is a change of its Subcontractors. If this action is not carried out, the penalty is the suspension in the ABVTEX Program.

4.2.3 Audit interruption

The auditor may decide to stop the audit if:

- the organization fails to cooperate with the audit process properly; and/or
- when arriving at the facility to be audited, find another inspection by public bodies in the location.

The auditor should also stop the audit in the following situations:

- when the facility refuses to deliver any requested document and/or prevents full or partial access to the facility; and/or
- identify that his/her security is at risk. It is recognized that there may be a need to visit regions considered at risk, and the feasibility of the visit should be analyzed on a case by case basis.

In any situation of audit interruption, the remuneration agreed in the contract with the Audit Organization should be maintained. The auditor should record the audit interruption in the [Audit System](#) explaining the reason, formalizing his/her decision and the conditions agreed with the representative of the audited facility.

4.2.4 Private meeting

The facility should provide space on its premises for a private auditor moment, before the closing meeting, to:

- ensure that the process is complete and that all ABVTEX Program requirements have been audited;
- review the audit findings (conformities and nonconformities);
- confirm that the audit records are present and complete.

4.2.5 Closing meeting

The auditor should conduct a closing meeting with the facility representative(s), presenting a preliminary audit report and reporting any nonconformities found.

The auditor should inform that the final audit report should be available in the [ABVTEX Program System](#) within a maximum period of 10 (ten) business days. The report should be accessed by the facility representative in the [ABVTEX Program System](#).

4.3 Conducting an audit and issuing the final report

The ABVTEX Program audits should follow the rules described in the [Audit Manual](#), available at www.abvtex.org.br/manual-de-auditoria. After completing the process, the auditor should prepare the final report. This report follows the reporting model established in the [Audit Manual](#) and should be completed to faithfully describe the process.

The findings resulting from deviations from meeting the requirements specified in the ABVTEX Program should be duly stated in the report and classified as nonconformities. The final audit report presents the information if the facility is suitable for the ABVTEX Program.

5 GENERAL FEATURES OF THE CHECKLIST

The audits are designed to evaluate suppliers and/or subcontractors so that the signatory retailers of the ABVTEX Program have sufficient information regarding the adequacy of their supply chain in terms of social responsibility and also of environmental responsibility.

For this, it is important that the evaluation rules and the criteria used are clear and objective. In this way, the Program uses a [Checklist](#), which is the main tool for carrying out the audits. The [Checklist](#) contains a complete list of the requirements defined by the program (the full [Checklist](#) is shown in **Annex 13**).

The [Checklist](#) is unique, and it is the same for auditing suppliers and/or subcontractors. Based on the specific characteristics of each facility, such as categorization (Supplier, Subcontractor or Both), segment or even another criterion highlighted in this **General Regulation**, certain requirements may or may not be evaluated as specified in the [Audit Manual](#).

5.1 Large blocks

The first classification of requirements presented in the [Checklist](#) is the division into 2 (two) large blocks:

- **Basic Block** requirements are those considered fundamental to the ABVTEX Program. They are, in general terms and with few exceptions, those already requested by the ABVTEX Program in previous versions of the **General Regulation**. The requirements of this block should be used to define the approval or non-approval criteria for suppliers and/or subcontractors;
- **Superior Block** requirements, which are new, added as of the publication of Version 3.0 of the **General Regulation** and should be used to classify the supplier and/or subcontractor within the ABVTEX Program.

In the full version of the [Checklist \(Annex 13\)](#), the classification of the requirements based on these 2 (two) large blocks may be verified by identifying the name of the block, before the description of each of the requirements, as shown in the following example.

2.3. Irregular Foreign Labor		
BASIC	2.3.1	Is there evidence that the facility does not have irregular foreign workers?
SUPERIOR	2.3.2	Is there evidence that the facility has copies of employment contracts and other contractual documents provided in the native languages of the foreign workers?

5.2 Thematic Blocks

The [Checklist](#) is divided into thematic blocks. This division aims to facilitate the understanding of the audit process both for auditors and Audit Organizations, as well as for the audited facilities (suppliers and/or subcontractors). Each thematic block may be divided into subgroups and represents a set of requirements, structured as questions.

In addition, the division into thematic blocks aims to guide the process of evaluating suppliers and/or subcontractors so that the audited facilities are aligned with the principles of the ABVTEX Program as a whole and in all aspects evaluated.

The set of thematic blocks may be found below, with a brief explanation of the requirements covered in each one (the complete version can be consulted in the [Audit Manual](#)).

Table 5. Audit Thematic Blocks	
Theme	Addressed Principles
Formalization and documentation	Evaluation regarding the legal constitution of the facility in accordance with the Brazilian law.
Working conditions	<p>Evaluation of the general working conditions, such as:</p> <ul style="list-style-type: none"> • Child labor; • Analogous to slave work, forced or exhausting labor, degrading work conditions, restriction of movement or due to a debt contracted with the employer or agent; • Use of work or service of a person whose situation of residence and work in Brazil is not regularized with the competent organisms; • Permanence of minors in the facility environment, who are not part of the facility workers; • Existence of housing for workers integrated with the workshops; • Discrimination against workers for exercising their representative functions in their workplace; • Compensation, access to training, promotion, termination of contract or retirement; • Discrimination based in race, social class, nationality, religion, disability, sex, sexual orientation, age, pregnancy, union membership or party affiliation; • Physical or disciplinary abuse, threat of physical, sexual or other harassment type, verbal abuse and other forms of intimidation; • Work in disagreement with the provisions of labor law and/or without registration in the Work and Social Security Document (Carteira de Trabalho e Previdência Social); • Worked hours (including overtime); • Other situations that the Program may address in terms of working conditions.
Occupational health and safety	Evaluation of the work environment, if it is safe and hygienic, considering the current knowledge of the industry, as well as any specific hazard, in addition to the practices for prevention of accidents and damages to health, associated or caused by inherent hazards of the workplace.
Emergency response	Evaluation regarding the conditions of electrical installations, fire prevention and firefighting, mainly to the legal requirements and regulatory standards.
Validation of the supply chain	<p>In the Supplier audit, the maintenance of mechanisms for monitoring subcontractors related to ensure decent conditions to its workers. The facility should also maintain an updated database of its Subcontractors, as well as a traceability control of the parts sent to them.</p> <p>In the Supplier audit, the registration and control of the facilities to which it forwards the services destined to the signatory retailers of the ABVTEX Program.</p> <p>In the Subcontractors audit, the outsourcing of works, unless they also hold the status of direct Suppliers of the signatory retailers, that is, if classified as Both.</p>
Transparency and management practices	Evaluation of the internal management of the audited facilities regarding the policies and practices adopted for preventing problems related to social responsibility and aspects considered in the ABVTEX Program.
Environment	Evaluation of the facility compliance related to environmental law, as well as the required legal documentation.

Important: many of the ABVTEX Program requirements are legal requirements. It is possible that throughout the validity of the Program, the law be updated, creating new requirements for the organizations. It is a responsibility of the suppliers, subcontractors and auditors to keep updated with the new legal requirements and ensure the compliance, regardless of whether a certain legal requirement is present in this ABVTEX Program.

5.3 Levels of criticality and nonconformities

Each thematic block (presented in **Item 5.2** of this **General Regulation**) includes a set of requirements structured as questions. Each of the existing requirements in the [Checklist](#), regardless of the block to which it belongs, has one or more levels of criticality associated with it, according to its importance for the ABVTEX Program (the criticality attributed to each requirement may be obtained in the complete model of the [Checklist](#) – **Annex 13**).

When formatting the [Checklist](#), as shown in **Annex 13**, the criticality levels are placed next to each of the corresponding questions. They indicate the degree of importance of the requirement for the ABVTEX Program, in addition to be the basis for carrying out the audit and completing the final report.

When performing the audit, the criticality levels should be transformed into nonconformities, as detailed in **Item 5.4**. The criticality levels associated with each of the requirements, as well as their characterization, are defined as follows:

Table 6. Characterization of the Criticality Levels	
Criticality Level	Description
ZERO TOLERANCE	Requirement that makes up the list of items on which the ABVTEX Program focuses with priority. A nonconformity identified in one of these questions is considered inadmissible within the scope of the Program. ZERO TOLERANCE nonconformity may interrupt the audit process and the facility should be subject to the Program penalties, according to Item 7.5 of this Regulation General .
CRITICAL	Exclusive requirements for the Basic Block of the Checklist . It is mandatory to comply, that is, if there is at least one nonconformity with this level of criticality, the facility will not be approved in the ABVTEX Program, not even in its lowest classification (Bronze Seal).
MAJOR	Requirements that exist throughout the Checklist (Basic and Superior) and are not mandatory to comply with. The ABVTEX Program may accept the nonconformity of a set of items with this level of criticality, as long as a minimum of requirements are met.
MINOR	Requirements that exist throughout the Checklist (Basic and Superior Blocks) and are not mandatory to comply with, with lower importance than those classified with a ' MAJOR ' criticality level. Likewise, the ABVTEX Program may accept the nonconformity of a set of items with this level of criticality.
REQUIRED SILVER	Exclusive requirements for the Superior Block of the Checklist . It is mandatory to comply with this to obtain the Silver and Gold Seals, that is, the existence of nonconformity with this level of criticality does not fail the facility in the Program, but prevents it from obtaining a higher classification (Silver or Gold Seals).
REQUIRED GOLD	Exclusive requirements for the Superior Block of the Checklist . It is mandatory to comply with this exclusively to obtain the Gold Seal, that is, the existence of nonconformity with this level of criticality does not fail the facility in the Program, nor does it prevent it from obtaining the Silver Seal, but it does prevent it from obtaining the highest rating in the ABVTEX Program (Gold Seal).

5.4 Evaluation and classification of nonconformities

When carrying out the audit, the Audit Organization should evaluate the facility conformity with each of the requirements according to the evidence presented. The auditor field evaluation for each of the requirements may indicate the following results:

Table 7. Possible notes for each checklist requirement		
Result	Auditor note	Description
CONFORMITY	YES	Situation in which the evaluation of the requirement is fully in accordance with the established criteria, according to the auditor evaluation, considering the evidence presented and verifications performed.
NONCONFORMITY	NO	Situation in which the evaluation of the requirement is not in accordance with the established criteria, according to the auditor evaluation, considering the evidence presented and verifications performed. In this case, the value of the nonconformity becomes the criticality level associate with the assessed requirement.
PARTIAL NONCONFORMITY	PN	Due to the breadth of the Checklist and seeking to establish a fair and adequate criterion for evaluating the facilities, there is a group of requirements that may admit partial nonconformity. In this situation, the partial nonconformity has a criticality level lower than the level established for full nonconformity. Thus, when the nonconformity is partial, the assigned value has a lighter rating than the full nonconformity.
ADDITIONAL PARTIAL NONCONFORMITY	PN1	For a small group of requirements, there may be more than 1 (one) partial nonconformity. In this situation, the Checklist admits an additional nonconformity. In this case, the additional nonconformity has an intermediate classification between full and partial nonconformity.
NOT APPLICABLE	N/A	Situation in which the evaluation of the requirement is not applicable to the audited facility. In this case, the non-applicability may be due to several factors. These situations are summarized in the Checklist (Annex 13) and more specifically in <i>the Audit Manual</i> . The <i>non-applicability</i> is a neutral condition that does not remove points from the audited facility.

6 RESULTS

After carrying out the audit, the Audit Organization generates the respective report for each specific plant (CNPJ), presenting all conformities and nonconformities found. The audit report indicates about the supplier and/or subcontractor in the ABVTEX Program, identifying the final result of the audit, as well as serving as a basis for the classification (status) of the supplier and/or subcontractor in the ABVTEX Program.

6.1 Audit result

To define the final result of the audit, only nonconformities found are computed, with their respective criticality levels. Thus, in the final evaluation, the following criteria should be considered:

- **ZERO TOLERANCE** and **CRITICAL** nonconformities are exclusionary, that is, the evidence of 1 (one) nonconformity with this critically level automatically disapproves the facility in the ABVTEX Program;
- the **REQUIRED SILVER** nonconformity is also exclusionary, but only for obtaining the Silver and Gold Seals;
- the **REQUIRED GOLD** nonconformity is exclusionary only for obtaining the Gold Seal;
- for each **MAJOR** nonconformity, 2 (two) negative points should be assigned;
- for each **MINOR** nonconformity, 1 (one) negative point should be assigned;
- the **N/A** (Not Applicable) note is neutral for the final result of the audit.

As the ABVTEX Program has as a principle the evolution of the supply chain and the dissemination of the best practices for the segments covered by the Program, the result of the audits of approved suppliers and/or subcontractors should be classified based on their performance according to the evolution and improvement of the conditions related to social responsibility, governance/compliance and some environmental aspects.

With these principles, a facility (CNPJ) approved in an audit may be classified in one of 3 (three) following categories: Bronze, Silver and Gold, according to the following rules:

Table 8. Classification of the approved facilities in the ABVTEX Program	
Classification	Description
Bronze	Evaluation of the facility only by the Basic Block ; No ZERO TOLERANCE nonconformity; No CRITICAL nonconformity; Maximum of 20 (twenty) lost points between MAJOR and MINOR nonconformities, regardless of the Thematic Block; Maximum of 1 (one) MAJOR nonconformity by thematic block.
Silver	Evaluation of the facility by the Complete Checklist (Basic + Superior); Fulfillment of all requirements for obtaining the Bronze Seal; No MAJOR nonconformity in the Basic Block , regardless of the Thematic Block ; Maximum of 32 (thirty-two) lost points between MAJOR and MINOR nonconformities in the Complete Checklist; Do not have the REQUIRED SILVER nonconformity, in the Superior Block .

Gold	<p>Evaluation of the facility by the Complete Checklist (Basic + Superior); Fulfillment of all requirements for obtaining the Bronze Seal; Do not have MAJOR nonconformity, in the Complete Checklist (Basic + Superior), regardless of the Thematic Block; Do not have REQUIRED SILVER nonconformity, in the Superior Block. Do not have REQUIRED GOLD nonconformity, in the Superior Block. Maximum of 15 (fifteen) lost points in MINOR nonconformities, in the Complete Checklist (Basic + Superior).</p>
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In addition, a facility may not achieve the expected result at the end of the audit. This situation may be observed from several aspects. Therefore, the possible final results for an audit are as follows:

Table 9. Results for the disapproved facilities in the ABVTEX Program	
Result	Description
Disapproved	The facility did not achieve the minimum result for an approval in the Bronze category. In addition, the facility has nonconformities in items of ZERO TOLERANCE or CRITICAL criticality level, provided that it is subject to penalties, as described in this General Regulation .
Follow-up	The facility did not achieve the minimum result for an approval in the Bronze category and has no nonconformities in items of ZERO TOLERANCE criticality, or subject to penalties, as described in this General Regulation .
Expired	The facility that performed a renewal audit and has not yet obtained a new approval until the expiration date of the last Certificate of Approval, even if it is in Follow-Up for Renewal Audit , or the facility has let its Certificate of Approval expire without carrying out a Renewal Audit .
Approved/ Temporary	The facility that performed a Physical Structure Audit and had its prior approval granted, as described in this General Regulation .

6.2 Situation of suppliers and subcontractors in the program

The ABVTEX Program is characterized by being an initiative to monitor the production chain. Therefore, the fact that a facility is approved in an audit, even if the Certificate of Approval issued is valid, does not mean that it is in compliance with the ABVTEX Program. Thus, its situation also considers the condition of the supply chain associated with each Supplier and/or Subcontractor.

The complete and updated situation of each Supplier and/or Subcontractor may only be obtained by accessing the data in the [ABVTEX Program System](#). Thus, in addition to the result obtained in an audit, a facility classified as a 'Supplier' or 'Both' should have its situation defined considering its supply chain.

It is worth remembering that the ABVTEX Program also provides for a classification for Retailers who are signatories to the Program, as described in chapter 2.9 of these General Regulations. These classifications are independent, that is, the Classification Attributed to Retailers does not modify the Classification attributed to Suppliers, Both or Subcontractors in their chain, who exclusively follow the criteria defined in this chapter (6.2) of these General Regulations.

In this way, a facility classified as a 'Supplier' or 'Both', should be evaluated by about its subcontractors in the supply chain, based on the results of the audits of the linked facilities, as follows:

Table 10. Status of the supply chain for facilities identified as 'Supplier' or 'Both'	
Supply chain status	Definition
Regular	When all facilities in the ' Subcontractor ' or ' Both ' categories, linked to the Supplier , present the status of approved (Gold, Silver or Bronze) in the last audit to which they were submitted.
Does not have	Facility that has no relation with facilities in the ' Subcontractor ' or ' Both ' categories in its supply chain.
Irregular	When at least one facility in the ' Subcontractor ' or ' Both ' categories, linked to the Supplier , is not approved in the last audit or in some form it is suspended in the ABVTEX Program.

Another important factor for defining the facility status in the ABVTEX Program is the expiration of the Certificate of Approval (anniversary date). That is, even if the facility is not approved, or has its rating downgraded by a recent audit, the Supplier Rating should remain unchanged until the expiration of its Certificate of Approval.

Based on these concepts and based on the results of the audits carried out, the status of the facilities in the ABVTEX Program complies with the following criteria:

Table 11. Status of the facilities identified as 'Supplier' or 'Both'		
Status	Audit Result	Supply Chain Status
Gold	Approved/ Gold	Regular/ Does not have
Silver	Approved/ Silver	Regular/ Does not have
Bronze	Approved/ Bronze	Regular/ Does not have
Suspended	Approved (any category)	Irregular
	The facility received some suspension penalty, in accordance with this General Regulation	Any situation
	Disapproved	Any situation
	Expired	Any situation
	Follow-Up*	Any situation
Approved	When granted special approval to the facility, in accordance with this General Regulation	Any situation
Approved/ Temporary	Approved/ Temporary	Regular/ Does not have
Not approved/ Follow-Up	Follow-Up**	Any situation

* Exclusive status for **Initial Audit** - after the expiration date for concluding the **Follow-Up Audit**.

** Exclusive status for **Initial Audit** - until the expiration date for concluding the **Follow-Up Audit**.

Table 12. Status of the facilities identified exclusively as Subcontractors	
Status	Audit Result
Gold	Approved/ Gold
Silver	Approved/ Silver
Bronze	Approved/ Bronze
Suspended	The facility received any suspension penalty as specified in this General Regulation
	Disapproved
	Expired Certificate of Approval
	Follow-Up*
Approved	Special approval has been granted to the Facility as specified in this General Regulation
Not Approved/ Follow-Up*	Follow-Up**

* Exclusive situation for **Initial Audit** – **after** the expiration date for concluding the **Follow-Up Audit**.

** Exclusive situation for **Initial Audit** – **until** the expiration date for concluding the **Follow-Up Audit**.

Important: in any situation (Supplier, Subcontractor or Both), if there are 2 (two) valid audits within the same period, that is, a **Renewal Audit** has already been carried out and completed before the previous one expires, the classification adopted should be the most favorable to the facility audited.

7 OTHER PROCEDURES RELATED TO THE AUDIT PROCESS

7.1 Resources for suppliers and subcontractors

If a Supplier and/or Subcontractor disagree with the disapproval or suspension in the ABVTEX Program, or also the cancellation of its Certificate of Approval, the Supplier and/or Subcontractor may appeal to the ABVTEX Program in an attempt to reverse the decision.

The appeal should be presented in writing, by sending it through mail with locator and acknowledgment of receipt, or by e-mail, as described in this **General Regulation** and according to the procedures described in **Annex 6**.

The disapproval, suspension or cancellation should remain in effect while the appeal is not considered by ABVTEX, preventing the Supplier and/or Subcontractor from requesting a new audit during this period. However, in the case where the Supplier and/or Subcontractor alleges and demonstrates the risk of suffering irreparable damages, ABVTEX may, at its sole discretion considering the circumstances and the documentation presented, change its situation to “on trial”, suspending provisionally the penalty until the conclusion of the process.

The defense filed by the Supplier and/or Subcontractor should be considered valid, within 15 (fifteen) calendar days, counted from:

- the completion date of the audit in the [ABVTEX Program System](#), when the complaint is linked to an audit carried out by an Audit Organization;
- the disapproval, suspension or disqualification date of the facility in the ABVTEX Program, when the complaint is linked to an **Agent Audit**.

ABVTEX should have a period of 15 (fifteen) consecutive days to grant or not the defense request, from the date of its effective receipt or receipt of the additional information that it may request, which should be informed to the facility through e-mail with the final decision. If the defense request is accepted, the normal procedures should follow from this moment on.

It is the Supplier and/or Subcontractor right to claim all defense matters, explaining in a reasoned manner the reasons with which it contests the audit that resulted in its disapproval, suspension or cancellation of the ABVTEX Program. All allegations should be supported by suitable documents, which should support the defense presented. In order for the Supplier and/or Subcontractor to better support its defense process, the detailed result of the audit report should be made available to the Supplier and/or Subcontractor. In this case:

- when the suspension or disapproval originates from an audit carried out by one of the Audit Organizations, the report should be available in the [ABVTEX Program System](#), at the Supplier and/or Subcontractor page;
- when the suspension or disapproval originates from an **Agent Audit**, the report should be sent to the Supplier and/or Subcontractor by ABVTEX.

For greater agility, the evaluation of the cases should be carried out in up to 3 (three) instances:

- a) 1st Instance: [ABVTEX Administrative Team](#). The ABVTEX Administrative Team should evaluate the content of the proofs and the criticality of the irregularities found, considering the penalty applied. In this 1st instance, ABVTEX may:
- deny the appeal due to the inconsistency of the defense presented;
 - request more evidence from the Supplier and/or Subcontractor regarding the claim, before deciding to refuse or proceed with the appeal;
 - accept the defense process and proceed with the claim, if the evidence presented by the Supplier and/or Subcontractor justifies this procedure.
- b) 2nd Instance: [Revision by the Audit Organization or by the Agent](#). If the ABVTEX Administrative Team accepts the defense, ABVTEX should notify the Audit Organization or the Agent to review the procedure applied in the audit. In this case:
- the appeal may be closed immediately, with the withdrawal of the penalty applied, if the Audit Organization or the Agent certifies that there was an error in the procedure, prejudicing the Supplier and/or Subcontractor;
 - the appeal goes to the Arbitration Committee for judgment, if the penalty applied is confirmed by the Audit Organization or Agent.
- c) 3rd Instance: [Arbitration Committee](#). If the ABVTEX Administrative Team does not accept the defense and the Audit Organization or the Agent does not close the case with the suspension of the penalty, the appeal should be forwarded to the Arbitration Committee of the ABVTEX Program, which should make the final judgment of the case, in face of all the documentation and arguments presented.

7.2 Certificate of Approval

If the organization met the necessary criteria for approval in the ABVTEX Program, a Certificate of Approval should be issued by the [ABVTEX Program System](#), within the organization own access. This Certificate of Approval identifies that the facility passed the ABVTEX standard audit and was approved on the audit completion date.

The classification obtained by the audited facility in the ABVTEX Program reflects its situation on the audit date and does not imply a guarantee, after that date, of compliance with the requirements verified by the Audit Organization. Any changes in the facility classification may occur at any time and, in this case, the classification should be updated and should only be available in the [ABVTEX Program System](#) (www.abvtex.org.br, clicking at 'Acesso ao Programa ABVTEX').

The disclosure of obtaining this Certificate of Approval may be carried out exclusively by the Supplier and/or Subcontractor under the conditions established in **Item 7.4** of this **General Regulation**, and the creation of any other type of document with the purpose of proving its approval is prohibited.

7.3 Audit validity

As of the completion of the **Initial Audit** report, in the [ABVTEX Program System](#), the facility should annually carry out a **Renewal Audit** to remain approved in the ABVTEX Program and maintain its status in the Program. The approval date in the **Initial Audit**, contained in the Certificate of Approval and available in the [ABVTEX Program System](#), sets the anniversary date of its approval, which should be renewed annually. A **Renewal Audit** may be requested by the interested facility 4 (four) months before the anniversary date, within which both the **Renewal Audit** and, eventually, a **Follow-Up Audit** should be carried out.

For all purposes, the anniversary date constitutes a deadline for the approval is revalidated. If the facility may not revalidate its Certificate of Approval by the anniversary date, it should be suspended in the ABVTEX Program until its situation is regularized. This includes about non-completion of the **Follow-Up Audit** before the established anniversary date. In this case, the facility should be in suspended status until the **Follow-Up Audit** is completed, and the approval is obtained.

In this way, the audited facility assumes the risk of being suspended in the ABVTEX Program if it is not approved in the **Renewal Audit** or **Follow-Up Audit** before the next anniversary date, at which time the facility should become suspended in the ABVTEX Program. Consequently, it should be suspended and unable to operate in the supply chain of the signatory retailers.

The principle of fixing the anniversary date exists for the facilities to carry out annual audits. Therefore, the facility that completes a **Renewal Audit** before the anniversary date should not be harmed in reducing the time to complete the next **Renewal Audit**, since that the anniversary date should not be changed.

The anniversary date is fixed, but in some situations the date may be modified. The situations in which the anniversary date may be modified are as follows:

- **when the facility performs a Change of Address Audit:** as it is a complete audit, in a different environment from the original audit, the new anniversary date becomes the completion date of this new audit, provided that it is completed with an approved status;
- **when the facility is not approved in the Follow-Up Audit within a maximum period of 90 (ninety) days:** in this case, the facility should carry out a new complete audit to reach the regular status in the Program. Therefore, the new anniversary date becomes the completion date of the new audit, provided that it is completed with approved status;
- **when the facility lets its anniversary date expire without starting the Renewal Audit process:** in this case, the facility should carry out a new complete audit to reach the regular status in the Program and the new anniversary date becomes the completion date of the new audit, provided that it is completed with an approved status.

7.4 ABVTEX seal

To identify the facilities participating in the ABVTEX Program, which have commitments to the ethical principles of decent working conditions, ABVTEX instituted the ABVTEX Seal, which may be used by the Suppliers and their Subcontractors during the validity period of the Certificate of Approval, in accordance with the rules established by the Use Standards of ABVTEX, **Annex 5** of this **General Regulation**.

It is important to highlight that the use of the ABVTEX Seal is prohibited without the authorization and prior knowledge of ABVTEX and its inappropriate use may cause the cancellation of the Certificate of Approval in the Program. The official logo of the ABVTEX Seal may be found at www.abvtex.org.br/selo-abvtex.

On the other hand, the Suppliers and their Subcontractors are prohibited from using the ABVTEX logo (Association logo) on any material.

7.5 Penalties

The Suppliers and/or Subcontractors may be subject to penalties in the ABVTEX Program if they do not meet the requirements set forth in this **General Regulation**. These penalties may be applied from irregularities found by at least one of the following instruments:

- as a result of an **Initial Audit, Renewal Audit, Change of Address Audit, New Workers Audit, Follow-Up Audit** or **Physical Structure Audit**, carried out by any of the approved Audit Organizations;
- as a result of a **Verification Audit** carried out by the Supervisory Body, at the request of ABVTEX;
- by verifications carried out, whether announced or not, by ABVTEX itself or by an **Agent Audit**. These verifications should be supported by sufficient evidence and documentation for the Program Governance Structure;
- by resolution of the Arbitration Committee, when judging the actions provided for in this **General Regulation**.

During the period of the penalty, it is up to the Signatory Retailer to decide if it receives orders already issued to the Supplier before the application of the penalty. This condition also applies relates to orders in production at the Subcontractor in this supplier chain. During the duration of the penalty, by agreement among the Signatory Retailers of the ABVTEX Program, the Signatory Retailers should not issue new orders.

Any penalty should be communicated to the Supplier and/or Subcontractor by ABVTEX, by updating the [ABVTEX Program System](#), generating electronic suspension notification (notification in the System and sending a registered e-mail in the [ABVTEX Program System](#)), in the following situations:

1. The already approved Supplier and/or Subcontractor facility does not authorize access to at least one of these situations:
 - access to its premises to carry out the **Initial Audit, Renewal Audit, Follow-Up Audit, Verification Audit, Change of Address Audit, Physical Structure Audit, Agent Audit** or **New Workers Audit**;
 - access to important documents, requested by the auditor to evaluate any of the requirements classified as **ZERO TOLERANCE**;
 - access to the workers to carry out the interviews.

Penalty: suspension for 3 (three) months or until the facility (Supplier or Subcontractor) carries out a new complete audit, whichever is longer.

2. Interruption of the audit by the auditor when he/she feels that he/she is at personal risk, due to the action of agents of the audited facility to maintain his/her physical integrity.

Penalty: the facility may be penalized, from a warning to a suspension for a period to be defined, after analyzing the situation by the Program's Governance structure.

3. In cases of change of address or in cases of expansion of the manufacturing unit by the annexation of another contiguous building at another address or the annexation of a room, space, another floor or warehouse at the same address (nonexistent during the last audit). When there is prior notice from the supplier and/or subcontractor, and it is not approved in a new audit within 90 (ninety) days from the date of the communication of the change.

Penalty: suspension until the regularization (completion of a new complete audit, with the approval of the Audit Organization).

4. In cases of change of address or in cases of expansion of the manufacturing unit by the annexation of another contiguous building at another address or the annexation of a room, space, another floor or warehouse at the same address (nonexistent during the last audit). When there is no prior notice from the supplier and/or subcontractor.

Penalty: immediate suspension, until regularization with an approved new audit.

5. If there is more than one facility in the same plant and/or physical space, sharing the same workers, machines (headquarters and branch, same economic group, supplier and subcontractor) if any other facility supplying and/or subcontracting this plant is subject to any of the penalties provided for in these **General Regulations**.

Penalty: same penalty as the penalized facility.

6. The facility classified as 'Supplier' or 'Both' uses a Subcontractor facility **approved** in the ABVTEX Program, but **not stated** in its list of Subcontractors in the transfer of production or in any process that requires circulation, storage, transshipment or any other activity in which there are products sent for the signatory retailers or containing their brands.

Penalty:

- **First occurrence: notification to the supplier within 24 hours for regularization (if it does not regularize, suspension until binding);**
- **First repeated event: suspension of 30 (thirty) days;**
- **Second repeated event: suspension of 60 (sixty) days;**
- **Third repeated event: suspension of 90 (ninety) days.**

7. The facility classified as 'Supplier' or 'Both' uses a subcontractor facility **not approved** in the ABVTEX Program and **not stated** in its list of Subcontractors, in the transfer of production or in any process that requires circulation, storage, transshipment or any other activity in which there are products sent for signatory retailers or containing their brands, even in a unit owned by the Supplier itself that has not been inspected in one of the ABVTEX Program audits.

Penalty:

- **First occurrence: suspension of 90 (ninety) days or until the subcontractor is approved and linked (whichever is shorter);**
- **Second occurrence: suspension of 180 (one hundred and eighty) days.**

8. The facility classified as Subcontractor outsources the production to another Subcontractor, **approved or not**, in the ABVTEX Program.

Penalty:

- **First occurrence: suspension of 90 (ninety) days;**
- **Second occurrence: suspension of 180 (one hundred and eighty) days.**

9. The facility is not approved for the **Renewal Audit** or **Follow-Up Audit** before the following anniversary of its **Initial Audit** (missed deadline).

Penalty: suspension until the regularization (carrying out a new audit with the approval of the Audit Organization or when it is approved in a Follow-Up Audit, within 90 (ninety) days from the date of the last Renewal Audit).

10. The supplier and/or its subcontractors are penalized by a government agency linked to topics related to the ABVTEX Program, including placement on the 'Dirty List'.

Penalty: the facility will be suspended immediately. The situation will be assessed by the Program Governance structure, which will determine the actions to be taken.

11. Finding of a 'ZERO TOLERANCE' nonconformity.

Penalty: suspension of 6 (six) months and judgment by the Arbitration Committee for possible increase in penalty at the discretion of this committee. In this situation, the facility will only be able to return to the ABVTEX Program after a new complete audit, carried out at the end of the suspension period. If the facility has not been approved in the Initial Audit due to "ZERO TOLERANCE" nonconformity, even though it has never been approved in the ABVTEX Program, it will only be able to carry out a new complete audit 6 (six) months after the completion of its last audit.

12. Finding of a 'Critical' nonconformity, after approval process by an **Initial Audit** or **Renewal Audit** and before a new **Renewal Audit** is carried out.

Penalty:

- **First occurrence: warning by notification issued by the Administrative Team of the ABVTEX Program, with a period of up to 90 days to regularize the nonconformity, after carrying out a new Follow-Up audit (a failure to carry out the Follow-Up audit within the specified period will result in the suspension of the facility for 30 (thirty) days;**
- **First repeated event: suspension of 30 (thirty) days and proof of regularization of the nonconformity through a Follow-Up audit.**

13. Irregular use of the ABVTEX Seal (in disagreement with Annex 5 of this regulation).

a) In cases of use before the issuance of the Certificate of Approval or even outside the validity period of the Certificate of Approval.

Penalty: notification with Warning to Supplier/Subcontractor.

b) In cases of irregular use: without prior approval of the material by ABVTEX, when the Supplier/Subcontractor is in a period of suspension, when the Certificate of Approval is canceled.

Penalty: suspension of 30 (thirty) days.

c) For cases not provided for in the above specifications.

Penalty: suspension after analysis of the situation by the Program Governance Structure.

14. Existence of a worker not formally registered (CTPS).

Penalty:

- **First occurrence: suspension until proof of regularization (registration or dismissal, with proof of payment of severance pay).**
- **First repeated event: suspension of 30 (thirty) days.**
- **Second repeated event: suspension of 60 (sixty) days.**
- **Third repeated event: suspension of 90 (ninety) days.**
- **Fourth repeated event: suspension of 120 (one hundred and twenty) days.**

15. The facility classified as 'Supplier' or 'Both', for responding jointly to the condition of its Subcontractors, when a linked Subcontractor is suspended.

Penalty:

- **For cases of ZERO TOLERANCE: suspension of 90 (ninety) days and reclassification to the Bronze category of the ABVTEX Program.**
- **For the cases of CRITICAL nonconformities THAT GENERATE PENALTIES:**
 - **first occurrence: warning.**
 - **second occurrence: suspension of 30 (thirty) days.**
 - **third occurrence: suspension of 60 (sixty) days.**
 - **fourth occurrence: suspension of 90 (ninety) days.**

16. In the case of hiring at least 1 (one) worker by a facility audited and approved in the Program as "*The facility is legally composed only by partners*", when there is a prior notice from the Supplier and/or Subcontractor and the facility is not approved in a **New Workers Audit**, within 90 (ninety) days from the date of communication of the change.

Penalty: suspension until the regularization (completion of a new complete audit, with the approval of the Audit Organization).

17. In the case of hiring at least 1 (one) worker by a facility audited and approved in the Program as "*The facility is legally composed only by partners*", when there is no prior notice from the Supplier and/or Subcontractor.

Penalty: deadline of 30 (thirty) days to regularize the situation (completion with approval of a new complete audit) – otherwise, suspension until the regularization (completion of a new complete audit, with the approval of the Audit Organization).

18. Evidence of nonconformity with the [Code of Conduct of the ABVTEX Program](#) in some types of audits of the General Regulations.

Penalty: written warning, suspension or even definitive exclusion from the Program, at the discretion of the Program Governance Structure. In cases where this situation is not clear or explicit, the Arbitration Committee should define the penalty.

19. In any situation, when a facility commits, at the same time, more than 1 (one) of the infractions foreseen in this **General Regulation** and described in **Item 7.5**, the facility should be penalized by the main infraction. In this circumstance, there is no accumulation of the foreseen penalties.

20. In evident cases of workers over the age of 14 and under the age of 18, when labor laws are not being complied with, such as non-exposure to dangerous/unhealthy work, non-performance of night work, employment contract as permitted by law.

Penalty:

- **First occurrence: a notification will be sent requiring a Follow-Up audit to be carried out within 90 (ninety) days.**
- **First repeated event: suspension of 30 (thirty) days.**
- **Second repeated event: suspension of 60 (sixty) days.**
- **Third repeated event: suspension of 90 (ninety) days.**
- **Fourth repeated event: suspension of 180 (one hundred and eighty) days.**

21. The facility classified as Supplier or Both, for responding jointly to the condition of its subcontractors, when a linked subcontractor outsources the production to another subcontractor, **approved or not approved**, in the ABVTEX Program.

Penalty:

- **First occurrence: notification to the supplier.**
- **Second occurrence: suspension of 30 (thirty) days.**
- **Third occurrence: suspension of 60 (sixty) days or until the facility is certified and linked (the shorter of the two).**
- **Fourth occurrence: suspension of 90 (ninety) days or until the facility is certified and linked (the shorter of the two).**

22. In cases in which a facility participating in the ABVTEX Program appears in the media with a case of slave and/or slave-like labor, child labor, or irregular foreign labor.

Penalty: sending a notification requesting clarification and subsequent analysis by the Program Governance Committee to define measures, which may lead to the suspension of the facility from the ABVTEX Program.

8 REQUIREMENTS APPLICABLE TO AUDIT ORGANIZATIONS AND AUDITORS

8.1 Accreditation of the Audit Organizations

To maintain and develop the Program, ABVTEX establishes partnerships with Audit Organizations previously evaluated and accredited by ABVTEX, to perform audits on the supply chains of its Suppliers and/or Subcontractors, as well as on facilities that are not part of these chains, but are interested in undergoing those audits.

To be accredited and remain qualified in the ABVTEX Program, an Audit Organization should have certain characteristics:

- a) have notoriety and be recognized as an Audit Organization that offers quality services within the standards established by ABVTEX;
- b) be legally formalized, headquartered in Brazil, in any legal situation: private facility, association, nonprofit or social interest institution, among others;
- c) have, at least, a period of 2 (two) years of operation in the Brazilian market, considering the last 24 (twenty-four) months;
- d) be certified in the ISO-17021 standard (*Conformity evaluation — Requirements for bodies providing audit and certification of management systems*), in its most recent version;
- e) be an organization that demonstrates stability and solidity in its operational structure;
- f) have proven qualifications in processes similar to those of the ABVTEX Program and have mechanisms to maintain the knowledge of its auditor's team;
- g) have sufficient resources available, in team and structure, to meet the required audits;
- h) not maintain any type of relation with any institution involved in the audit process – Signatory Retailer of the ABVTEX Program, Supplier, Subcontractor or others, considering the period of the last 24 (twenty-four) months before each audit performed. In this case, only audits in the Signatory Retailers should be acceptable as a link between the Audit Organization and those involved in the audit.

The relation between ABVTEX and the Audit Organizations should be formalized in a contract. Otherwise, the disqualification of an Audit Organization may be carried out in the forms and conditions described in the contract between the parties and/or in the conditions described in this **General Regulation**.

The accreditation of Audit Organizations is established by the procedures described in **Annex 8** of this **General Regulation**, is valid for 5 (five) years and, after this period, should be revalidated based on the results obtained in the Monitoring of the Audit Organizations process (**Item 8.4** of this **General Regulation**). Notwithstanding the stipulation of a validity period for the accreditation of an Audit Organization, the maintenance (at any time) and periodic renewal of the accreditation granted herein and consequent maintenance of the condition of a facility qualified to act in the ABVTEX Program, should consider the compliance with the contractual terms and rules provided for in this **General Regulation** and in relevant procedure manuals, which may be periodically changed, unilaterally, by ABVTEX.

The revalidation of the accreditation serves only to ensure that the organization maintains the requirements required by the ABVTEX Program. If, during the accreditation revalidation process, it is found that the organization no longer meets the requirements, it should be disqualified, starting the accreditation process of a new Audit Organization.

The accreditation of an Audit Organization is an exclusive activity of the Program Governance Structure. Thus, an organization that meets all the requirements described in this **General Regulation** does not guarantee its automatic accreditation in the ABVTEX Program. In addition, the recognition of the Audit Organization as an accredited organization under the ABVTEX Program does not grant rights, given that ABVTEX may grant accreditation to other organizations to carry out the same activities.

The number of Audit Organizations accredited for the ABVTEX Program is defined exclusively by the Program Governance Structure, which may accredit new Audit Organizations based on at least one of the following principles: expansion of the suppliers base, subcontractors and other facilities interested in the approval in the ABVTEX Program; operational incapacity of the set of accredited Audit Organizations to meet the interested suppliers within the necessary deadlines; and, replacement of an Audit Organization that has been disqualified. Thus, when ABVTEX understands that there is a demand for the inclusion of new Audit Organization:

- a) it should publicly announce the opening of a selection process for new Audit Organizations, enabling all interested organizations to participate in the accreditation process;
- b) the organizations wishing to join as audit service providers as Audit Organization should undergo an evaluation process for their accreditation, in accordance with the criteria presented in this **General Regulation**;
- c) if the number of candidates is greater than the number of organizations to be accredited in the ABVTEX Program, the selection criteria should be objective and public.

The official and updated list of accredited Audit Organizations is at www.abvtex.org.br/organismos-de-auditoria in a clear and unequivocal manner, which may be changed periodically.

8.2 Accreditation of the auditors

The professionals hired by the Audit Organizations should have, at least, a minimum experience and qualification that follow the requirements established by ABVTEX.

The control for the accreditation of auditors is a fundamental process for assuring a good functioning of the ABVTEX Program. In this way, it is managed directly by ABVTEX, which has the final opinion on the accreditation, its renewal and the possibility of disqualifying auditors within the scope of the Program.

An Audit Organization may request accreditation of its auditors to ABVTEX, based on the specifications and qualifications required by the ABVTEX Program, in this **General Regulation** or in the procedures adopted by ABVTEX for such accreditation. Concerning a disqualification carried out by ABVTEX, the Audit Organization should arrange all necessary procedures for concluding the disqualification.

The Audit Organization may also unilaterally disqualify an auditor, at its discretion and without prior authorization from ABVTEX, within its internal rules.

The accreditation of an auditor is valid for 1 (one) year and should be periodically renewed. If there is no renewal within the established deadline, the auditor should be automatically disqualified.

A disqualified auditor may resume its accreditation as long as he/she restarts the process, as if he/she was a new auditor, except in cases where the disqualification occurred due to serious misconduct, disrespect for the Code of Conduct of the Audit Organization or the rules of the ABVTEX Program, including this **General Regulation** and its annexes, as judged by the Arbitration Committee.

For accreditation in the ABVTEX Program, the auditor should be linked to an Audit Organization. This link may take place in 2 (two) ways and in both cases, the Audit Organization should submit proof of the link to ABVTEX:

- a) as a worker of the Audit Organization, formally registered, evidenced by CNTP (with copies of CNTP cover and page of the employment contract with the Audit Organization); or
- b) as an independent third party, provided that all the conditions established for this contract are respected, as provided by law, completely removing the possibility of precariousness of labor relations. Evidence of this link should be made with the presentation of the auditor service agreement with the Audit Organization. When the auditor is in this condition, he/she may work for more than one Audit Organization, provided that there is an agreement between the organizations and prior authorization from ABVTEX.

The accredited auditor for the ABVTEX Program may be available for other certifications or seals attended by the Audit Organizations. However, this sharing should be carried out within similar programs and/or with the same objectives as the ABVTEX Program. In addition, due to the scope of the ABVTEX Program, it is necessary to characterize that the auditor spends most of his/her time in audits of the ABVTEX Program.

The conduct, profile and performance of an auditor in the field are a full responsibility of the Audit Organization for which he/she is providing services, regardless of the way in which he/she was accredited or working for more than one Audit Organization.

To be accredited, the auditor should mandatorily meet the following requirements:

- a) complete or in-completion higher education (*i.e.*, when the graduation is expected to take place within a maximum of 12 (twelve) months), or technical education at higher level, regardless of the area;
- b) proven training in legal requirements for clothing, footwear and accessories industries in issues of labor, occupational health and safety;
- c) training of at least 24 (twenty-four) theoretical hours in the requirements of the ABVTEX Program, provided by the Audit Organization and applied by a lead auditor, with a minimum experience of 2 (two) years in social responsibility;
- d) proof of participation in at least 4 (four) field audits, with at least 2 (two) audits as an observer and at least 2 (two) as observed;
- e) training by ABVTEX for qualification and accreditation of auditors in the ABVTEX Program;
- f) experience of at least 1 (one) year in activities of the textile, footwear or accessories sectors. This experience may be from manufacturing, clothing industry, purchasing or quality inspection;

- g) experience of at least 2 (two) years or 160 (one hundred and sixty) hours in audits of social responsibility or occupational health and safety;
- h) ABVTEX approval, after completion of the accreditation course.

Documents required for the accreditation of an auditor:

a) documents provided by the Audit Organization:

- *Curriculum Vitae*: filled out directly by the Audit Organization in the [ABVTEX Program System](#);
- certificates proving the training in the legal requirements or occupational health and safety;
- certificate, issued by the Audit Organization, proving the performance of the minimum audit hours, as provided for in this **General Regulation** and in the procedures adopted by the organization;
- evidence of documents proving experience in audits and performance in the textile, footwear or accessories sectors;
- copy of CNTP (cover and page of the contract with the Audit Organization), when employed;
- contract for the provision of services by the auditor to the Audit Organization, in the case of a subcontractor auditor.

b) complementary documents:

- certificate of completion of the accreditation course for the ABVTEX Program, including success in the evaluation carried out at the end of the course. This document is presented by the organization providing the course, directly in the [ABVTEX Program System](#), upon completion.

Even if accredited, the auditor may be unilaterally disqualified by ABVTEX or at the initiative of the Audit Organization, in the following situations:

- a) Failure to comply with this **General Regulation** or its annexes, as well as the internal rules of the **Audit Organization**.
- b) Poor performance when applying field audits. The auditor performance is quarterly measured by several performance indicators, established by ABVTEX in common agreement with the Audit Organization in a contract signed between the parties.

Eventual exception to the rules of this **General Regulation** or procedures adopted by ABVTEX may be applied at the sole discretion of ABVTEX, which may, in exceptional cases, authorize the accreditation of an auditor without complying with some mandatory requirements. The adoption of this exceptionality should be of public knowledge, having the respective motivation justified in the [ABVTEX Program System](#) linked to the auditor information.

The procedure for accreditation of auditors should follow **Annex 7** and the required qualifications are described in the following table.

Table 13. Minimum qualification of an ABVTEX Program auditor		
Formal Education	Specific courses	Professional experience
Complete higher education or technical education (higher level)	<p>Review of legal requirements for the industry: labor, occupational health and safety.</p> <p>Training in the ABVTEX* Program. The training should have at least 24 (twenty-four) hours of theoretical training and should be complemented by the performance of 2 (two) audits of the ABVTEX Program as an observer and 2 (two) audits of the ABVTEX Program as observed.</p>	<p>Experience of at least 2 (two) years in the textile sector (e.g. manufacturing, clothing industry, purchasing or quality inspection) or in social responsibility and/or occupational health and safety audits.</p> <p>If the auditor has not the above experience, it is acceptable at least 160 (one hundred and sixty) hours of social responsibility and/or occupational health and safety audits as a leader.</p>

* *The Program trainer should be a lead auditor with at least 2 (two) years of experience in social responsibility.*

The personal information obtained in the auditor accreditation process should be used solely for this purpose, as well as for the management, monitoring and renewal of the auditor accreditation.

ABVTEX reserves the right to eventually share the auditor personal information with authorities and public organisms, when urged and/or requested to do so, or to carry out activities aimed to achieve the aforementioned purposes.

ABVTEX should keep such information for the period in which the auditor remains accredited or for any other period required by law and/or preservation of the rights of the auditor and ABVTEX.

As there is no longer any need to keep such information, ABVTEX should discard it, return it to the auditor and/or render it anonymous so that it may be used only for statistical purposes.

8.3 Management System of the Audit Organization for the ABVTEX Program

The Audit Organization should maintain a recognized, implemented, followed and monitored management system to ensure that the ABVTEX Program audits are managed, planned and conducted effectively, in accordance with this **General Regulation**.

The management system of the Audit Organization should cover the following requirements:

8.3.1 Management System Manual of ABVTEX Audits

The Audit Organization should develop and implement a management system manual for the ABVTEX Program audits, defining all the controlled processes and documents necessary to meet the requirements of the ABVTEX Program. This manual should include or make reference to the formal controlled documentation, defining:

- guides or general documents;

- technical documents and field tools used;
- records, reports and other information (database) stored;
- internal and external communication and processes for sharing information;
- means of cooperation with ABVTEX and its designated representatives;
- available communication channels;
- personnel competence requirements (including qualification) for the audit team members and other activities involved in the ABVTEX Program;
- personnel training, evaluation, continuous improvement and performance management;
- internal process for reviewing the management system for self-evaluation and continuous improvement;
- internal controls to analyze, treat and resolve nonconformities related to the requirements of the audit management system of the ABVTEX Program.

8.3.2 Training, qualification and development of the auditors

The Audit Organization should follow the minimum qualification requirements for the ABVTEX auditors established in this **General Regulation**. Additional requirements may be defined by the Audit Organization:

- The Audit Organization should define and implement a training schedule to maintain the expected overall performance of the ABVTEX auditors;
- The Audit Organization should define and implement a development plan for all ABVTEX auditors. The plan should incorporate quality performance indicators to demonstrate competence, evaluate, monitor and seek performance improvement in the following areas: ABVTEX Program (protocols and requirements); technical competence (understanding of compliance issues applicable to the [Checklist](#)); auditor skills and attributes needed to conduct social responsibility audits; competency to prepare audit reports (quality demonstrated in reports – including, but not limited to, timeliness, completeness, accuracy and clarity);
- The auditors of the Audit Organization should be aware of the qualification processes, training and development plan;
- It is recommended that the Audit Organization has ABVTEX auditors registered and approved in the ASPCA examination.

8.3.3 Management of fairness

The Audit Organization should define and implement a fairness management system to ensure that no auditor is influenced in any way, such as by commercial, financial, threat or other aspects.

- The fairness management should incorporate a controlled risk evaluation process with prior review, resulting in operational controls to eliminate or reduce risks associated with, but not limited to, conflicts of interest, bribery, safety and 'soft' auditing.
- The fairness risk evaluation process should be reviewed annually.

8.3.4 Audit planning process

The Audit Organization is responsible for providing effective, an ABVTEX Program audit. It should define and implement a plan to ensure that no client is audited by the same auditor more than 3 (three) consecutive times. The Audit Organization auditors and customers should be aware of this requirement.

8.3.5 Review of the audit reports

The Audit Organization should establish and implement an effective process for reviewing the ABVTEX Program audit reports, following the ABVTEX requirements applicable to this matter:

- the Audit Organization should establish competency criteria (including regular training and field experience) for the staff performing the audit report review;
- to ensure that this process is effective, the audit report review team should know and be able to conduct a regular audit of the ABVTEX Program.

8.3.6 Internal review and continuous improvement

The Audit Organization should define and implement a controlled process of internal audit and review of the management system of the ABVTEX Program, to ensure the continuous improvement, identify potential risks and define new preventive actions against failures.

8.3.7 Communication

The Audit Organization should define a controlled channel of communication to collect, analyze, track and resolve issues, where applicable.

8.4 Monitoring of the Audit Organization by ABVTEX

The Audit Organization should be subject to monitoring and evaluation by the ABVTEX Program, through a Program Supervisory Organism, external and accredited in accordance with the rules contained in the Standards and Procedures contained in **Annex 9** of this **General Regulation**.

The evaluation of an Audit Organization, by the ABVTEX Program, should be carried out in cycles of approximately 12 (twelve) months. The ABVTEX Administrative Team should formally disclose, before the start of an evaluation cycle:

- the opening and closing dates of the cycle to be started;

- the procedures and/or rules that should be observed in the new cycle that are additional to the procedures and/or rules already established by this **General Regulation**; clarify details already regulated in this **General Regulation**; define new rules that are not included in this **General Regulation**, but that are important for the fulfillment of the cycle.

The monitoring should be done through the following actions:

1. **Observation Audits**, which consist of following a regular audit of the ABVTEX Program, by a professional linked to the Supervisory Organism, to evaluate the quality of the auditor work and, by extension, of the Audit Organization itself, with the objective of:
 - a. evaluate the quality, clarity and communication of the audit structure, such as planning and preparation, opening and closing, document verification, visit to the production area, interviews and audit report;
 - b. analysis of the auditor competence as a professional, based on the elements defined by APSCA, such as audit strategy, ethical and professional behavior, observation and investigation capacity, data analysis, problem-solving and decision-making, approach to interviews and clarity in communication;
 - c. evaluation of the auditor knowledge and skills, based on the ISO-17021/1 Standard (Annexes A and D);
 - d. the knowledge of the accredited auditor regarding the rules of the ABVTEX Program and its application with the audited facilities.

An **Observation Audit** should be carried out on an announced basis. In addition, additional criteria and number of **Observation Audits** should be determined annually by ABVTEX, together with the Supervisory Organism, by formal communication and complying with the following criteria:

- cover all registered accredited auditors who should undergo at least 1 (one) **Observation Audit** per year;
- maintain the geographic diversity: **Observation Audits** should be carried out in the main regional concentrations of the ABVTEX Program agents to guarantee satisfactory geographic coverage;
- the **Observation Audits** should be carried out in a sufficient number to ensure representativeness relates to the total number of annual audits of the ABVTEX Program;
- prioritize good performance: the frequency of **Observation Audits** should be higher for situations of worse historical performance, giving priority to less frequent for accredited auditors and Audit Organization with satisfactory historical performance;
- prioritize the cost/benefit ratio: to avoid unnecessary travel and logistical costs, the **Observation Audits** should preferably be carried out in places where there are auditors from the Supervisory Organisms or in the places where the auditor to be observed resides;
- ensure full coverage of the ABVTEX Program: adequate coverage of each accredited auditor and coverage of new auditors who are admitted in the ABVTEX Program during the year;
- suspension or disqualification of auditors: auditors not honored within the requirements established by ABVTEX in the predetermined period may be suspended or disqualified until they undergo an **Observation Audit**.

2. **Office Audits**, which consist of an annual evaluation conducted by the Supervisory Organism, at the headquarters and with the managers of the Audit Organization, to verify the effective application of the requirements established for the audit management system of the ABVTEX Program, as described in **Item 8.3** of this **General Regulation**.

A maintenance audit may be carried out after 6 (six) months of the **Office Audit**, to verify the negotiations regarding nonconformities found in the requirements of the management system.

3. **Sample Evaluation of Finalized Audit Reports**, which consists of the monthly evaluation regarding the correct completion of the finalized audit reports in the [ABVTEX Program System](#). The criteria for evaluating the reports follow the instructions contained in this **General Regulation** and in the [Audit Manual](#), referring to the correct application of the levels of notes, use of evidence and description of nonconformities.

Periodically, the ABVTEX Administrative Team, together with the Supervisory Organism, should make a formal evaluation of each of the accredited Audit Organizations. In this evaluation, the results of the monitoring carried out should be presented, with any nonconformities found (**Office Audit**) and opportunities for improvement identified (**Observation Audits** and sample verification of audit reports). For these nonconformities found, the Audit Organization is expected to:

- ensure that all nonconformities identified, related to the requirements of the audit management system of the ABVTEX Program, are properly addressed;
- conduct a root cause analysis and an effectively controlled action plan, which should be formally communicated within 30 (thirty) days after the formal evaluation meeting. This action plan should be approved by the ABVTEX Administrative Team and by the Supervisory Organism. After its approval, the Audit Organization should have a period of 90 (ninety) days from the acceptance of the action plan, to solve the nonconformities.

A systematic lack of effectiveness in the treatment of nonconformities, such as repeated nonconformities identified in consecutive **Office Audits**, may result in penalties to the Audit Organization.

9 ANNEXES

ANNEX 1: GLOSSARY

- **Accreditation:** approval of the auditor to carry out audits within the ABVTEX Program, based on a series of document evidence, qualification and training of the auditor and evaluation of his/her competences.
- **APSCA (Association of Professional Social Compliance Auditors):** global organization created to improve the professionalism, consistency and credibility of individual auditors and organizations that perform independent social compliance audits and to promote the use of independent social compliance audits as a tool to improve working conditions globally. It focuses on consistent training of auditors, in addition to education, background checks and competencies.
- **Audit Organization:** independent organization, accredited by ABVTEX, to carry out audits and decide on approval based on objective evidence obtained during the audit process.
- **Audit sizing:** time required to carry out the verifications and checks of the audit. The time is always defined by the facility, varying from one location to another according to the number of workers in the production unit.
- **Audit Status:** possible ratings in the audit.
- **Basic checklist:** list of requirements of the **Basic Block** of the [Checklist](#), which is the basis for the Approval or Disapproval of facilities within the scope of the Program.
- **Branch:** branch of the supplier and subcontractor CNPJ.
- **Candidate entity:** candidate organization that desires to belong to the list of Audit Organizations accredited by the ABVTEX Program.
- **Certificate of Approval:** statement of the independent Audit Organization accredited by ABVTEX that the facility of the audited organization complied, on the date of the last audit, with the requirements established in this **General Regulation**. The statement takes the form of a term, which may be consulted in the [ABVTEX Program System](#), through an identification number. The Certificate of Approval may be canceled by the Audit Organization at any time, in accordance with the rules specified in this **General Regulation**. Concerning the direct retail supplier, the Certificate of Approval from its facility and its subcontractors is a prerequisite for it to be able to continue supplying the signatory retailers.
- **Complete checklist:** list of requirements for the **Basic Block** and **Superior Block** of the [Checklist](#), which is the basis for classifying facilities within the scope of the Program.
- **Conformity:** compliance with the requirements set forth in this **General Regulation**.
- **Corrective action:** action taken to eliminate the cause and prevent recurrence of nonconformities.

- **Criticality level:** attribute linked to each of the requirements listed in the [Checklist](#) that determines the importance and relevance of the attribute for the Program and for the Approval of Suppliers and/or Subcontractors.
- **Final audit report:** document that reports the audit performed and points out the agreed steps.
- **ISO 17021 standard:** standard of the *International Standards Organization* that aims to ensure that certification organizations operate in a competent, consistent and fairness manner, facilitating the recognition of such organizations and the acceptance of their certifications on national and international bases.
- **Nonconformity:** deviation in meeting a requirement set forth in this **General Regulation**.
- **Observation Audit (Shadow Audit):** follow-up of the regular audits of the ABVTEX Program, by professionals linked to the Supervisory Organism, to evaluate the quality of the auditors work and, by extension, of the Audit Organization itself.
- **Office Audit:** verification of the internal Audit Organization processes to ensure the effectiveness of the approvals in the ABVTEX Program. The audit should be carried out by the Supervisory Organisms in the Office of the Audit Organization.
- **Outsourcing:** transfer of production by a subcontractor to another facility (process not allowed by the ABVTEX Program). Outsourcing is characterized when the transfer is made exclusively by a Subcontractor and may not be characterized for a facility that at the same time performs the function of Supplier and/or Subcontractor.
- **Participation Term:** term filled in and signed by the facility legal representative, with a notarized signature. The term applies to all facilities participating in the ABVTEX Program. By signing it, the Suppliers and/or Subcontractors formalize their agreement with the provisions of this **General Regulation**. The model of this Participation Term may be found in **Annex 3** and should be renewed at each audit (**Initial, Renewal or Change of Address**).
- **Plants:** place where a process, manipulation or service takes place adding value to an input, semi-product or final product. The same facility may have several plants or production units, which should be independently audited.
- **Program System:** it is the information system (IT) that supports the operation of the ABVTEX Program and is managed by the ABVTEX Administrative Team.
- **Signatory retailer:** a retail facility that formalized its adhesion to the ABVTEX Program.
- **Stakeholders:** the set of facilities, people, governmental and non-governmental organizations that have a direct interest in the ABVTEX Program. The following are considered stakeholders within the scope of this **General Regulation**: Signatory Retailers; Approved Suppliers and/or Subcontractors, or with an overdue audit approval, provided they were not suspended for penalties; Audit Organizations, including facilities that support ABVTEX in the management of the Program; Entities that participate in the Governance of the Program, such as members of the Advisory Board and members of the Arbitration Committee; Government agencies that do not participate directly in the Program, but are classified as direct stakeholders by the Management Committee.

- **Standards:** documents that generally regulate the operation of the ABVTEX Program. The **General Regulation**, [Checklist](#), [Audit Manual](#) and [Code of Conduct of the ABVTEX Program](#) are included in the ABVTEX Program Standards.
- **Subcontractor:** third party contracted by the supplier to carry out some stage foreseen in the Supply Chain. A Subcontractor is not prohibited from also acting as a Supplier within the scope of the ABVTEX Program. In this case, the facility should be classified as 'Both'.
- **Supervisory Organism:** independent organization, accredited by ABVTEX, to carry out control activities of quality processes of the Audit Organization accredited in the ABVTEX Program and to ensure its effectiveness.
- **Supplier:** facility (headquarters and branches) that supplies or intends to supply products, from at least 1 (one) of the sectors covered (**Annex 2**) by the ABVTEX Program, directly to the signatory retailers. A supplier may act as a subcontractor for another supplier. In this case, the facility should be classified as '**Both**'.
- **Supply chain:** direct and indirect suppliers (subcontractors) involved in the process of supplying goods to the signatory retailers, directly linked to the production process or in any process that requires circulation, storage, transshipment or any other activity in which there are products containing brands of the signatory retailers. In addition, the supply chains of the list of products presented in **Annex 2** of this **General Regulation** are considered.
- **Validation of the list of subcontractors:** an integral part of the audit in which the process of receiving and dispatching orders from the Signatory Retailers should be verified, as well as if the orders are being made in the plants stated by the Suppliers at the time of the audit.
- **Web ABVTEX Portal:** electronic address available on Internet, containing information about the ABVTEX program (www.abvtex.org.br/programaabvtex).
- **Wet Group:** facilities characterized by having, in their production process, at least 1 (one) of the following activities: Dyeing, Laundry or Stamping.

ANNEX 2: SECTORS INCLUDED IN THE ABVTEX PROGRAM

Clothing Items

All types and models described in chapters 61 and 62 of the Mercosur Common Nomenclature (NCM).

Shoes

All types of models described in chapter 64 of the Mercosur Common Nomenclature (NCM).

Caps and Hats

All types and models described in chapter 65 of the Mercosur Common Nomenclature (NCM).

Bijoux

Items of Position 7117 (bijoux) of the Mercosur Common Nomenclature (NCM).

Glasses

Items of Position 9004 (sunglasses) of the Mercosur Common Nomenclature (NCM).

Textile goods for home

Items of Positions 6301 (covers and blankets), 6302 (bed, table, toiletry or kitchen linen), 6304 (quilts) and 9404 (pillows) of the Mercosur Common Nomenclature (NCM).

Bags and belts

Items of Position 4202 (belts and bags) of the Mercosur Common Nomenclature (NCM).

Manufactured masks

Items of Position 6307 (Confectioned Masks) of the Mercosur Common Nomenclature (NCM).

Pet products

Items of Mercosur Common Nomenclature (NCM): 4201.00.90, 6306.22.00 and 9404.90.00.

Plush

Items of Mercosur Common Nomenclature (NCM): 9503.00.31.

ANNEX 3: PARTICIPATION TERM OF A SUPPLIER OR SUBCONTRACTOR

By this term, the supplier and/or subcontractor indicated below states that it agrees to join the ABVTEX Program, according to the conditions specified in the **General Regulation** available at www.abvtex.org.br/programaabvtex.

The supplier and/or subcontractor acknowledge that it may have its Certificate of Approval canceled or suspended in the cases provided for in the **General Regulation**.

The supplier and/or subcontractor acknowledges that the photographic record is an integral part of the audit process.

The supplier and/or subcontractor acknowledge that its approval in the ABVTEX Program is a necessary condition for supply (direct or indirect) to any of the signatory retailers.

The supplier acknowledges that its list of subcontractors should be made available to the Audit Organization, during the audit process, to ensure that its subcontractors are also approved – these conditions are essential for the supplier to continue supplying signatory retailers of the ABVTEX Program.

The supplier is also responsible for keeping its registration and the list of its subcontractors updated in the [ABVTEX Program System](#) and should state, in the list and in each of its updates, that it comprises the correct, complete and updated list of its subcontractors, under penalty of suspension of the ABVTEX Program. Such statement should be made in the [ABVTEX Program System](#).

ABVTEX clarifies that all information provided and verified during the audits should exclusively use for monitoring purposes by ABVTEX and should not be used for commercial purposes. Such information should be treated within the scope of the ABVTEX Program, except in the case of public authorities requiring its disclosure.

The supplier and/or subcontractor that it is aware and agrees with the need, during the ABVTEX Program audit process, of any access to certain personal information of its partners, workers and/or service providers, by the Audit Organizations and accredited auditors. Thus, the audit stages and processes are carried out in their entirety and in the most possible complete way, always respecting the principles, standards, rules and good practices for the preservation of privacy rights and protection of personal data.

Such personal information should be used solely and exclusively for the purposes of participating in the ABVTEX Program.

Therefore, the supplier and/or subcontractor should be responsible for having a clear and transparent communication with its partners, workers and/or service providers, regarding the need of collecting and processing personal data for the fair fulfillment of the ABVTEX Program audit.

The supplier and/or subcontractor that now adheres to the ABVTEX Program by signing this Participation Term, expressly states, in attention and in line with the governance and transparency policy that guides this program, that it is fully aware of the possibility of disclosing data professionals through a list of approved suppliers and/or subcontractors in the Program, as provided for in the **General Regulation, Section 2.5 (Transparency policy information disclosure), Item 1 (Information for unrestricted public disclosure), Sub-item 1.5.1**, consenting, from now on, to the disclosure of the aforementioned professional data, to be included in the list of suppliers and/or subcontractors approved in the ABVTEX Program.

This Participation Term should be renewed at each stage of the audits (**Initial, Renewal** or **Change of Address**).

Corporate Name: _____
CNPJ: _____
State Registration (IE): _____ City Registration (IM): _____
Address: _____
CEP: _____ District: _____
City/State: _____
E-mail: _____ Phones: _____

Check your facility status here:

- Direct supplier of retail sector
- Subcontractor (indicate here which facilities requested your audit)
- Both (supplier and/or subcontractor)

Does the facility have more than 1 (one) CNPJ in the same Plant? Yes No

What? _____

I state I'm aware of sanctions foreseen in the General Regulation of the ABVTEX Program and I consent to the disclosure of professional data approved by the Management Committee, to be included in the list of approved suppliers and/or subcontractors.

Legal Representative Name: _____

Job: _____

Date: ____ / ____ / ____

Signature _____
(notarized signature)

ANNEX 4: COMMITMENT TERM FOR MONITORING THE SUPPLY CHAIN

COMMITMENT TERM OF MONITORING THE SUPPLY CHAIN

Facility or Economical Group Name	
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[(name of RETAILER), (nature), registered with CNPJ/MF under No. (CNPJ)], headquartered at (address)] (hereinafter referred to simply as "RETAILER"), represented herein by its [position of the representative], as a facility participating in the ABVTEX Program (hereinafter referred to simply as the "Program"), established by **ABVTEX - Associação Brasileira do Varejo Têxtil**, registered with CNPJ/MF No. 03.407.918/0001-48, headquartered at Rua Cayowaá, No. 1.071, Conjunto 54, Perdizes, São Paulo (SP), CEP 05018-001 (hereinafter referred to simply as "ABVTEX"), pursuant to the "ABVTEX Affiliation Agreement" signed on (date) (hereinafter referred to simply as the "Affiliation Agreement"), states and undertakes the following:

- The RETAILER ratifies the commitments assumed in the aforementioned Affiliation Agreement, stating (check the appropriate situation):
 - Sign this Commitment Term in its own name, as an individual retailer.
 - Sign this Commitment Term as a representative of an Economic Group.

Concerning an Economic Group, this Commitment Term refers to the RETAILER, as well as its Brands/Flags (**Physical and/or Electronic Store brands**), included in the ABVTEX Program, individualized and identified below:

Brand/Flag	Social Name (if it is the case)	CNPJ

- Relating to the adequacy of the ABVTEX Program, the RETAILER states that it fits (individually or as an Economic Group, as the case may be) in the following situation (check the appropriate situation):
 - RETAILER renewing the Commitment Term of Monitoring the Supply Chain.
 - RETAILER signing the first Commitment Term for Monitoring the Supply Chain (initiating the participation in the ABVTEX Program).
- The RETAILER (individually or of its Economic Group, as the case may be), regarding the obligation to maintain its entire supply chain regular in the ABVTEX Program (approved in audit):
 - It has 100% of its suppliers (and respective subcontractors) approved by the ABVTEX Program audits.
 - It is in the regularization process of all its suppliers (and respective subcontractors), under the terms of the **General Regulation** of the ABVTEX Program, according to approval percentages and number of suppliers and subcontractors, shown in the following table:

Flag (Store Brand): (FILL WITH THE RETAILER FLAG, WHEN IN THE INDIVIDUAL CONDITION, OR WHEN ECONOMIC GROUP HAS OTHER BRANDS IN STORES, IT SHOULD BE FILLED IN A TABLE FOR EACH BRAND STORE – please, replicate the box below for each store brand of the Group, if applicable)

Sector	Percentage of Approved Facilities	Number of Approved Facilities	Number of Non-audited Facilities	Number of Facilities in Action Plan
Clothing				
Shoes				
Bed, Table and Bath				
Accessories				
Others (<i>specify</i>)				

4. The RETAILER unconditionally agrees to have its Brands/Flags disclosed in the ABVTEX Portal and other program disclosure materials, being classified according to the categories provided for in the **General Regulation**, to specify the degree of adequacy of the facility to the dictates of the ABVTEX Program and according to the provisions of the **General Regulation**, the Affiliation Agreement and this Commitment Term.

Only the Individual Retailer brand, the Group brand and the Flag brands (when Physical or Electronic Stores), listed in this Commitment Term, should be used in the aforementioned disclosure.

5. This Commitment Term is valid for a maximum of 1 (one) year from its signature and should be renewed annually until the last business day of April of each year, or within a period previously established and formally communicated by ABVTEX, or always that there is a change in the RETAILER list of Brands/Flags. The RETAILER may also renew this Commitment Term on its own initiative, whenever it or any of its Brands/Flags reaches 100% adequacy of the supply chain, updating the information in item 4 (above) for the purposes of counting the respective term.

[Place], [date].

RETAILER

Name:
Job:

Accordance:

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Awareness and Accordance: [**applicable when the Commitment Term is signed by the representative of the Economic Group; there should be knowledge of the respective facilities)/flags]*

[Facility Name]

ANNEX 5: RULES FOR THE USE OF THE ABVTEX SEAL

I. RULES OF USE

1. This material provides guidelines for the Suppliers and/or Subcontractors on how to correctly use the ABVTEX Seal, in the colored version and in the versions of the Gold, Silver and Bronze categories, allowing taking advantage of the use without violating the Program rules.
2. The Suppliers and/or Subcontractors are authorized to use the ABVTEX Seal during the period of validity of the Certificate of Approval, provided that they do so in accordance with this Manual and in accordance with the normative standards established by the **General Regulation** of the ABVTEX Program.
3. The use of the ABVTEX Seal is prohibited:
 - a. Before the issuance of the Certificate of Approval;
 - b. In periods of suspension of the ABVTEX Program, both for suppliers and their subcontractors;
 - c. In case of cancellation of the Certificate of Approval;
 - d. In disclosures that do not comply with this Standard.
4. For any type of disclosure, containing the ABVTEX Seal, the Suppliers and/or Subcontractors should submit the material to the approval of ABVTEX, before its use.
5. The Supplier and/or Subcontractor that is suspended from the ABVTEX Program should immediately remove all material that contains the ABVTEX Seal.

II. FORMAT

1. The final art of the Seal in the color and Gold, Silver and Bronze versions may be provided in electronic file in JPG format.
2. Modifications to the layout of the ABVTEX Seal, color changes and inclusion of unauthorized texts are not allowed.

The Seal in its colored version should have the following colors: Pantone Blue 280 C and Green 377 C. Graphic printing in CMYK colors:

- ***Blue: Cyan 100%, Magenta 80%, Yellow 15% and Black 0%;***
- ***Green: Cyan 65%, Magenta 20%, Yellow 100% and Black 0%.***

The Seal in its GOLD version should have the colors in gradient effect with the following order: #f5b72a > #fff3b1 > #e5ad00 > #fff392 > #eea100.

For graphic printing of the GOLD Seal in CMYK colors, consider the gradient in the following order:

- ***Color 1: Cyan 04%, Magenta 41%, Yellow 3% and Black 0%;***
- ***Color 2: Cyan 01%, Magenta 02%, Yellow 40% and Black 0%;***
- ***Color 3: Cyan 10%, Magenta 32%, Yellow 97% and Black 1%;***
- ***Color 4: Cyan 0%, Magenta 0%, Yellow 53% and Black 0%;***
- ***Color 5: Cyan 04%, Magenta 41%, Yellow 100% and Black 1%.***

The Seal in its SILVER version should have the colors in gradient effect with the following order: #b5b5b5 > #d9d9d9 > #a4a3a3 > #d9d9d9 > #b5b5b5.

For graphic printing of the SILVER Seal in CMYK colors, consider the gradient in the following order:

- **Color 1: Cyan 31%, Magenta 23%, Yellow 24% and Black 04%;**
- **Color 2: Cyan 0%, Magenta 0%, Yellow 0% and Black 15%;**
- **Color 3: Cyan 0%, Magenta 0%, Yellow 0% and Black 47%;**
- **Color 4: Cyan 0%, Magenta 0%, Yellow 0% and Black 15%;**
- **Color 5: Cyan 31%, Magenta 23%, Yellow 24% and Black 04%.**

The Seal in its BRONZE version should have the colors in gradient effect with the following order: #8c6e4c > #fccd8c > #7c6444 > #ebbd7e > # 443322.

For graphic printing of the BRONZE Seal in CMYK colors, consider the gradient in the following order:

- **Color 1: Cyan 34%, Magenta 46%, Yellow 66% and Black 01%;**
- **Color 2: Cyan 0%, Magenta 23%, Yellow 51% and Black 0%;**
- **Color 3: Cyan 27%, Magenta 61%, Yellow 62% and Black 48%;**
- **Color 4: Cyan 7%, Magenta 28%, Yellow 55% and Black 0%;**
- **Color 5: Cyan 51%, Magenta 60%, Yellow 73% and Black 68%.**

3. To guarantee the perfect perception of the ABVTEX Seal, a free area of 20% of the size to be used should be kept around it, to avoid interference from other graphic elements, brands or texts that do not complement or qualify it.
4. It is only allowed to change the size of the ABVTEX Seal respecting the proportional measures.
5. The minimum recommended size for applying the ABVTEX Seal is 25 mm.
6. Derogatory, false or abusive advertising involving the ABVTEX Seal or extending to activities, projects, products or services not included in the scope of the ABVTEX Program is not allowed.
7. The use of the ABVTEX Seal as a product suitability certificate is prohibited and the use of the logo on products and packaging, mentioning the program that induces the consumer to believe that the product/service has been evaluated by the Audit Organization is prohibited.
8. The ABVTEX Seal may be legibly copied or scanned for using in printed and electronic documents, advertisements and Internet, as long as it is identified as a copy (front or back).
9. The ABVTEX Seal may be used in the signature of e-mail, website, folder and presentations of the approved facility, provided that the rules of this Manual are respected.

III. ABVTEX LOGO - SEAL



IV. ABVTEX LOGO - SEAL (GOLD, SILVER AND BRONZE)



OURO



PRATA



BRONZE

ANNEX 6: PROCEDURE FOR DEFENDING A SUPPLIER OR SUBCONTRACTOR

I. SUPPLIER AND/OR SUBCONTRACTOR

1. To start its defense process with ABVTEX, the Supplier and/or Subcontractor should send a DEFENSE LETTER, with all the information relevant to its suspension, with the greatest possible detail of the facts and arguments against the presented evaluation and the respective penalty applied, based on the analysis of the report of the Audit Organization or Agent that generated the penalty/suspension.
2. Together with the DEFENSE LETTER, the Supplier and/or Subcontractor should attach pictures and/or supporting documents for its arguments.
3. The Supplier and/or Subcontractor should attach the documents that support its arguments to the DEFENSE LETTER and send them to ABVTEX, in one of two possible ways:
 - By mail (with receipt acknowledgment);
 - By electronic means, to the address programa.abvtex@abvtex.org.br.

For both cases, the ABVTEX Administrative Team should respond within 5 (five) business days with receipt acknowledgment of the defense and any documents attached and any request for complementation; once the requested supplementary documentation is received, the procedure is repeated, opening a new period of 5 (five) business days for analysis by the ABVTEX Administrative Team.
4. Whenever requested by the ABVTEX Administrative Team, the Supplier and/or Subcontractor that has requested a defense should correct the information and/or send additional evidence regarding the process presented.

II. ABVTEX ADMINISTRATIVE TEAM

1. Once a DEFENSE LETTER is received, the ABVTEX Administrative Team opens a Defense Process, giving a number for its individual identification.
2. The ABVTEX Administrative Team should inform the Supplier and/or Subcontractor, by e-mail, of the opening date of the Defense Process and the corresponding number for its follow-up.
3. Upon receiving the documentation, the ABVTEX Administrative Team should preliminarily analyze the process, in the following aspects:
 - a) Analysis of the defense and the documents sent. If the information provided is incomplete or inconsistent, the ABVTEX Administrative Team notifies the Supplier and/or Subcontractor within 10 (ten) business days, by e-mail, requesting adjustments to the DEFENSE LETTER, or even sending new information or evidence;
 - b) Analysis of the previous situation of the Supplier and/or Subcontractor in situations of previous penalties, for the same reason as the current process;
 - c) Analysis of the seriousness of the nonconformity of which the Supplier and/or Subcontractor was accused.
4. After analyzing the defense, the Administrative Team of ABVTEX may, within 5 (five) business days, request complements to the documentation presented, reject the appeal or proceed with its processing. The interested party should have 7 (seven) business days to respond to any requests to complement the defense, under penalty of termination of the process.

5. In cases where there is no rejection, the ABVTEX Administrative Team first sends all the documentation to the Audit Organization or Agent, responsible for punishing the Supplier and/or Subcontractor, which should have a period of 3 (three) business days to confirm its position.

In this case, the process should only be terminated by the recognition, by the Audit Organization or by the Agent responsible for the penalty, of an error or mistake in the penalty applied. In this way, the ABVTEX Administrative Team closes the process and reviews about the Supplier and/or Subcontractor within the scope of the ABVTEX Program.

6. If the ABVTEX Administrative Team does not reject the defense and the Audit Organization or Agent does not close the case with the suspension of the penalty, the ABVTEX Administrative Team should within 3 (three) business days of receiving the decision, (i) send a copy of the Defense Process to the Technical Members of the Arbitration Committee, who should prepare an opinion on the Supplier and/or Subcontractor claim within 5 (five) business days and (ii) call a deliberative meeting of the Arbitration Committee especially for the judgment of the case in question, with a minimum advance of 15 (fifteen) days and to occur in a maximum of 30 (thirty) days.
7. For the purposes of a judgment by the Arbitration Committee, the ABVTEX Administrative Team should send a copy of the Defense Process to each of the Arbitration Committee members, including, as soon as possible, the technical opinion prepared.
8. In cases where the Supplier and/or Subcontractor alleges and demonstrates the risk of suffering irremediable damage, the ABVTEX Administrative Team may, at its sole discretion, modify about that Supplier and/or Subcontractor in the [ABVTEX Program System](#), to "on trial", until the conclusion of the process by the Arbitration Committee, suspending the punishment until the conclusion of the trial.
9. When the deliberative meeting is held, the Arbitration Committee should write a minute with the deliberations taken, which should be filed along with all the documentation of the Defense Process.
10. Upon completion of the Process, the ABVTEX Administrative Team updates the status of the supplier and/or subcontractor in the [ABVTEX Program System](#) and formally communicates the person involved, in accordance with the resolution of the Arbitration Committee.

III. AUDIT ORGANIZATION OR RESPONSIBLE FOR PUNISHING THE SUPPLIER AND/OR SUBCONTRACTOR

1. After defining the continuation of the Defense Process by the ABVTEX Administrative Team, the Audit Organization or Agent, responsible for punishing the supplier and/or subcontractor, receives a copy of the Defense Process and additional documentation that has been attached by the interested party.
2. The Audit Organization or Agent should evaluate the defense delivered by the Supplier and/or Subcontractor, together with the submitted documentation.
3. The Audit Organization or Agent should inform ABVTEX, within a maximum period of 3 (three) business days, of its opinion on the case, indicating if the punishment is due or if there was an error regarding the established punishment.
4. If maintaining the position regarding the punishment, send an e-mail to the address programa.abvtex@abvtex.org.br, presenting additional arguments with information that reinforce the established punishment.

5. If understanding that the punishment was incorrect, send an e-mail to the address programa.abvtex@abvtex.org.br, presenting the reasons for the reversion of the penalty.

In this case, the non-manifestation of the Audit Organization or Agent should imply in the maintenance of its initial opinion.

6. At the meeting of the Arbitration Committee, the Audit Organization or Agent may participate in the meeting, in person or by electronic means (conference by telephone, video or similar methods), in which it may express itself when requested, without having decision-making power regarding the final judgment.

IV. ABVTEX ASSOCIATES AFFECTED BY THE SUSPENSION/PUNISHMENT OF THE SUPPLIER AND/OR SUBCONTRACTOR

1. The ABVTEX retailer members who have a business relation with the suspended or punished facility also receive a copy of the Defense Process from the ABVTEX Administrative Team, with all the documentation gathered.
2. If interested, those retailers associated with ABVTEX may send an e-mail to the address programa.abvtex@abvtex.org.br, with additional information about the case.

V. ARBITRATION COMMITTEE (TECHNICAL MEMBERS ONLY)

1. The Technical Members of the Arbitration Committee receive from the ABVTEX Administrative Team a copy of the Defense Process with all the pertinent documentation.
2. The Technical Members of the Arbitration Committee should evaluate the case and issue an opinion to support a technical position that gives greater support to the final decision of the Arbitration Committee.
3. The Technical Members of the Arbitration Committee should send their opinion to the ABVTEX Administrative Team within 5 (five) business days from the reception of the respective documentation from the ABVTEX Administrative Team.

VI. ARBITRATION COMMITTEE (ALL MEMBERS)

1. Each member of the Arbitration Committee receives, together with the call for the deliberative meeting on each Defense Process, copies of the respective documentation, including the opinion of the technical members of the Arbitration Committee.
2. At the deliberative meeting to evaluate the process:
 1. The Arbitration Committee should listen to each of the participants who want to express his/her views on the process (Signatory Retailers, Audit Organization, Agent and ABVTEX);
 2. Each member of the Arbitration Committee should present his/her view on the problem to the others;
 3. The Arbitration Committee should decide by most of at least 03 (three) votes on the established situation: maintaining, changing or reversing the imposed penalty. If the event of a tie in the number of votes, the decisions should always be favorable to the Supplier and/or Subcontractor claims.

ANNEX 7: PROCEDURE FOR ACCREDITING AN AUDITOR

A. PROCEDURES FOR ACCREDITING AUDITORS

I. AUDIT ORGANIZATION

1. Upon inclusion of a new auditor, it performs all actions for his/her qualification that depend on the action of the Audit Organization itself, such as training in legal requirements, training in the [ABVTEX Program System](#) specifications and participation in audits.
2. It makes the registration request for ABVTEX, using the function in the [ABVTEX Program System](#), specific for this purpose, including the *Curriculum Vitae*, in addition to attaching (uploading) the other documents indicated in **Item 11** of the Rules section of this Policy.

In this case, after the evaluation, the ABVTEX Administrative Team may request new documents or question the auditor status, or even disapprove him/her, if applicable.

3. Together with the ABVTEX Administrative Team, program the auditor participation in the accreditation course.

If the auditor fails to pass the accreditation course, the process ends and the auditor is excluded, or the auditor is requested to retake the course to attempt a new approval.

4. After passing the course, the ABVTEX Administrative Team receives confirmation of the registration, with the provision of a new username and initial password so that the auditor may start working within the ABVTEX Program.

II. ABVTEX ADMINISTRATIVE TEAM

1. It receives the notification, through the [ABVTEX Program System](#), of the existence of a new request for the inclusion of an auditor.
2. It evaluates the information presented by the Audit Organization and makes the following analysis:
 - a. If the *Curriculum Vitae* information included is in accordance with the specifications requested in the **General Regulation** of the ABVTEX Program;
 - b. If the attached documentation is complete and sufficient to prove the required training and professional experience;
 - c. If any item does not meet the conditions of the **General Regulation**, it requests the Audit Organization for new documents or for supplementing information.
If the Audit Organization may not prove or complement the data, ABVTEX may refuse to include the auditor and immediately cease its registration.
3. If the information and documentation are adequate, it schedules the Accreditation Course, based on the calendar and in the appropriate format.

4. It waits for the completion of the course, the auditor evaluation and the inclusion of data by the training organization, responsible for the application of the course.

In this case, a failure of the auditor in the accreditation course may mean his/her disapproval and exclusion from the register or, in agreement with the Audit Organization, a realization of a new course and new evaluation of the auditor.

5. After approval by the training organization, the auditor registration is concluded, generating a username and password for starting his/her activities in the ABVTEX Program.
6. It forwards the first password to the Audit Organization to inform the auditor about his/her status and the beginning of activities in the [ABVTEX Program System](#).

III. TRAINING ORGANIZATION

1. It conducts training for the accreditation of the auditors, always based on calendars and availability of courses, exclusively for auditors appointed by Audit Organizations and authorized by ABVTEX.
2. Upon completion of the course, it includes in the [ABVTEX Program System](#) the information about the completion of the course, attaching (uploading) the certificate of completion and registering the grade of achievement.

B. PROCEDURES FOR RENEWING THE ACCREDITATION OF AUDITORS

I. ABVTEX ADMINISTRATIVE TEAM

1. It constantly monitors the expiration periods for the accreditation of auditors.
2. Thirty (30) days before the expiration date for accreditation, if there is no previous statement from the Audit Organization or from the auditor, it contacts the Audit Organization to schedule the next training and evaluation.
3. It makes an appointment for training and awaits a response from the training organization regarding the completion of the course and the result of the evaluation.

In this case, the accreditation is automatic and does not depend on the intervention of the ABVTEX Administrative Team in the [ABVTEX Program System](#).

4. If the Audit Organization does not make the appointment or the auditor does not have his/her accreditation renewed, he/she receives a notification from the [ABVTEX Program System](#) regarding the expiration of the accreditation and communicates the auditor disqualified to all stakeholders.

II. AUDIT ORGANIZATIONS

1. It follows the expiration period for the accreditation of their auditors.
2. Within 30 (thirty) days from the expiration date for the accreditation, it contacts ABVTEX to request the scheduling of new training for updating, recycling and a new evaluation of the auditor.

3. If there is no interest in renewing the auditor certification, it does not make an appointment and may let the accreditation expire for a term.

In this case, the auditor is automatically disqualified in the [ABVTEX Program System](#) due to expiration of the term.

4. After the training and the evaluation result, it receives notification from the [ABVTEX Program System](#) about the accreditation renewal and the new authorized period.
5. If the auditor has not been approved in the evaluation, it decides with ABVTEX if there should be a new training and evaluation until the auditor is accredited again.

III. TRAINING ORGANIZATION

1. It conducts the training sessions to renew the accreditation of auditors, always based on calendars and availability of courses, exclusively for auditors appointed by the Audit Organizations and authorized by ABVTEX.
2. Upon completion of the course, it includes in the [ABVTEX Program System](#) information on completion, attaching (uploading) a certificate of completion and registering the achievement grade.

C. PROCEDURES FOR DISQUALIFICATION OF AUDITORS DUE TO UNSATISFACTORY PERFORMANCE

I. ABVTEX ADMINISTRATIVE TEAM

1. It monitors the performance indicators provided for in the contract with the Audit Organization on a monthly basis, determining general results for the Audit Organization and individual results for the auditors.
2. On a quarterly basis, it holds a meeting with the Audit Organization to analyze the general and individual results and, if there is a recurring unsatisfactory performance, which justifies the disqualification of an auditor, it announces the decision to the Audit Organization, through a formal document from ABVTEX.

This decision should always be taken in accordance with the rules, punishments and penalties established in the contract between the Audit Organization and ABVTEX and always supported by the General Regulation of the ABVTEX Program.

3. After acknowledging the Audit Organization, it disqualifies the [ABVTEX Program System](#), in a specific function for this purpose, immediately canceling the auditor access to the System.

If there are pending audits for inclusion or updating by the disqualified auditor, ask the Audit Organization main user to make the necessary pending updates.

II. AUDIT ORGANIZATION

1. It receives a formal notice from ABVTEX about the auditor disqualification due to unsatisfactory performance.

2. It communicates the decision to the auditor and takes the appropriate internal measures for the case.

D. PROCEDURES FOR DISQUALIFICATION OF AUDITORS DUE TO MISCONDUCT

I. ABVTEX ADMINISTRATIVE TEAM

1. When there is a complaint or there is still a specific case described in **Observation Audits**, in which the auditor misconduct is characterized, it formats the supporting documentation and informs the Audit Organization about the case.
2. Temporarily suspends the auditor in the [ABVTEX Program System](#), in a specific function for this purpose, until the Arbitration Committee expresses its opinion.
3. It waits for the Audit Organization opinion, attaches the opinion to the original documentation and sends the case to the Arbitration Committee.
4. After the Arbitration Committee decision, if the decision is for disqualifying, it takes the following measures:
 - a. It formally communicates the Audit Organization, by letterhead, requesting the knowledge of the decision taken;
 - b. After being informed by the Audit Organization, it makes the disqualification in the [ABVTEX Program System](#), in a specific function for this purpose, immediately canceling the auditor access to the System.

If there are pending audits for the disqualified auditor, it asks the user of the Audit Organization to make the necessary pending updates.

5. If the Arbitration Committee decision is for temporary suspension or warning, it maintains the suspended status, for the time determined by the Arbitration Committee, or recovers the auditor previous status in the [ABVTEX Program System](#) and communicates it to the Audit Organization.

II. AUDIT ORGANIZATION

1. It receives from ABVTEX a notice about the auditor temporary suspension, due to serious misconduct regarding the rules of the ABVTEX Program or Code of Conduct of the Audit Organization.
2. It informs the auditor about what happened and prepares the auditor defense, when applicable.

If the Audit Organization recognizes the fault of its auditor, it informs ABVTEX about the veracity of the fact.

3. It gathers the supporting documentation about the identified fault and sends it to the ABVTEX Administrative Team.
4. It waits the Arbitration Committee opinion on the result regarding disqualification, temporary suspension, warning or non-punishment.
5. It communicates the final result to the auditor and takes the appropriate internal measures.

III. ARBITRATION COMMITTEE

1. Monthly, within the periodical meetings, it may evaluate cases of auditors temporarily suspended for conduct contrary to the objectives of the ABVTEX Program and/or its annexes, as well as the Code of Conduct of the Audit Organization.
2. It analyzes the case, observing the arguments presented by the ABVTEX Administrative Team and the defense and/or considerations presented by the Audit Organization.
3. It gives its opinion, deliberating among four possibilities:
 - a) Disqualification due to the seriousness of the fact or the auditor recurrence;
 - b) Temporary suspension, in less serious but important cases;
 - c) Warning, in cases of lesser relevance; or
 - d) Acquittal, if a mistake is proven in the complaint.
4. It formats the opinion in minutes and authorizes the ABVTEX Administrative Team to take the actions provided for in this Policy to finalize the case.

ANNEX 8: PROCEDURE FOR ACCREDITING AN AUDIT ORGANIZATION

A. OPENING OF AN ACCREDITATION PROCESS

I. ABVTEX BOARD OF DIRECTORS

1. It starts the opening process for accreditation of new Audit Organizations with two forms of communication:
 - i. Open and public communication, on the electronic address of ABVTEX (www.abvtex.org.br), with the necessary information for organizations that want to participate in the process;
 - ii. Sending of an invitation letter to entities that have previously registered with ABVTEX, presenting their intention to participate in the Program.
2. It establishes a timetable for the start and end of the accreditation process of the organizations.
3. Within the deadlines established in the schedule, it receives the letters of intent, together with the Application Forms for Registration of the candidate organizations, in addition to the initial documentation requested, contained in the Application Form, respecting the criteria established in this Procedure.
4. It forwards the documentation received to the Supervisory Body so that the accreditation process may begin.
5. It receives an opinion from the Supervisory Body about the documentation received from the candidate organizations, indicating which ones are suitable for the process and which ones do not meet the initial requirements.
6. It communicates the status of the initial documentation to all candidate organizations and takes the following actions, depending on the status of the request:
 - i. It informs the refusal of the application, when the candidate organization does not comply with the minimum requirements;
 - ii. It informs the inclusion of the candidate organization in the selection for registration, for the organizations that have met the required qualification requirements.
7. It authorizes the Supervisory Body to proceed with the process for the organizations accepted in the application.

If there are not enough candidates to complement the number of Audit Organizations to be accredited, the Program Management Committee should decide which procedure should be followed.

II. CANDIDATE ORGANIZATION FOR ACCREDITATION

1. It issues a letter of intent (letterhead) and completes the Accreditation Application Form, along with the required prior documentation, described in the Accreditation Application Form.
2. It sends the documents to the ABVTEX Board of Directors, confirming its intention to participate in the accreditation process, by electronic means, to the e-mail address abvtex@abvtex.org.br.

In this case, failure to send these documents in a timely manner, within the deadlines previously established by ABVTEX, may characterize the organization withdrawal from the audit process.

3. It receives an opinion from ABVTEX on its situation regarding the registration for accreditation and, if accepted, begins the selection process itself.

If the candidate organization has its application refused by ABVTEX, it may participate in a future process, if it manages to meet the minimum requirements required by the Program.

III. SUPERVISORY BODY

1. It receives from the ABVTEX Board of Directors the documentation of the candidate entities for a new accreditation in the Program.
2. If any candidate organization has submitted incomplete documentation, it requests additional information within the established deadlines.
3. It performs an initial screening regarding the information on the registered organizations, evaluates the established conditions and presents an opinion to ABVTEX regarding the condition of the candidate organizations, classifying them in one of the following situations:
 - i. It does not meet the expectations of the Program and, therefore, failed and should not obtain accreditation; or
 - ii. It meets the expectations of the Program and may proceed with the accreditation process.
4. After the evaluation by the ABVTEX Board of Directors, it receives the final list of candidate organizations that should participate in the accreditation process and begins the evaluation of these entities for the definitive accreditation.

B. ACCREDITATION

I. SUPERVISORY BODY

1. It schedules with each of the candidate organizations approved in the screening phase a formal visit to the physical structure at its corporate headquarters, or another location if considered as more convenient, after hearing and approving the justifications of the candidate organization, aiming to know the management system (in use and not prototype) designated to manage the audit program and to evaluate, following the standard described in Evaluation Guide:
 - i. Procedures for selecting auditors;
 - ii. Training offered;
 - iii. Audit quality control tools and continuous improvement;
 - iv. Anti-corruption and anti-bribery policies;
 - v. Whistleblower tools, records and whistleblower investigation and handling procedures;
 - vi. Policies of disciplinary practices;
 - vii. Security policy and protection of the physical integrity of the auditors;
 - viii. Procedure for controlling the documents mentioned above, considering storage, review and updating;
 - ix. Other related documents;
 - x. Availability for audits;
 - xi. Knowledge and experience in the requirements verified by the Program;
 - xii. Knowledge and experience in the sectors covered by the Program (clothing, footwear, accessories and textile goods);
 - xiii. Regional knowledge;

- xiv. Knowledge of applicable law;
 - xv. Absence of conflict of interest (if impartiality is compromised).
2. It also evaluates the list of auditors with whom it intends to start activities as an Audit Organization and checks if they meet the standards defined for the accreditation.
 3. For each of the candidate organizations, it conducts interviews with its main auditor (responsible for training the other auditors) and other professionals dedicated to this work, in addition to those responsible from senior management to professionals with operational competence.
 4. After the evaluation of each of the candidate organizations, it builds a detailed report for each of the candidate organizations presenting:
 - i. Main strengths of each organization, including aspects in which the organization exceeds the minimum requirements requested by ABVTEX;
 - ii. The aspects in which ABVTEX should pay attention to the organization performance when in field;
 - iii. General considerations and final recommendation regarding the possibility or not of the accreditation of the candidate organization.
 5. If there are more candidate organizations than the amount intended by ABVTEX, it also assembles a comparative report between the candidates, objectively pointing out the final recommendation.

II. ABVTEX BOARD OF DIRECTORS

1. It receives from the Supervisory Body the reports with the opinions on the candidate entities.
2. It evaluates the recommendations and, together with the Program Management Committee, defines which candidate organizations should be accredited in the Program.
3. It communicates the decision to all stakeholders in the process, providing justifications to the non-selected entities.
4. It begins the formalization processes of the new Audit Organizations, with the practice of the following acts:
 - i. Contract signing;
 - ii. Delivery of the Accreditation Term;
 - iii. Request for presentation, by the new Audit Organization, of the list of its auditors;
 - iv. Training appointment for the auditors to acquire individual accreditation, according to specific standard.
5. After completing all the formal processes, it updates the list of accredited Audit Organizations at the ABVTEX electronic address and allows the start of operations of the new Audit Organization.

C. POST-ACCREDITATION MONITORING

I. SUPERVISORY BODY

1. Immediately after granting accreditation to the new Audit Organization, it carries out two **Observation Audits** in the first audits carried out, chosen by ABVTEX, considering the criteria of location, type of industry and number of workers.

2. It issues a report to ABVTEX with the findings collected in this process, indicating any adaptation measures to be taken by the new Audit Organization.
3. If there is a need for corrections, it carries out two more **Observation Audits** to verify the quality of the audit processes carried out by the Audit Organization.
4. From then on, during the first 12 (twelve) months, it monitors the new Audit Organization based on the criteria established by the Manual that regulates the **Observation Audits**, establishing, together with the ABVTEX Board of Directors, criteria for greater frequency of these audits in this period.

II. ABVTEX BOARD OF DIRECTORS

1. It receives the reports of **Observation Audits** for the first audits of the new Audit Organization, with the opinion of the Supervisory Body.
2. Depending on the results obtained:
 - i. If the results of the first audits do not demonstrate a satisfactory performance, it develops a follow-up meeting with the new Audit Organization to define an action plan for corrections;
 - ii. If the results are satisfactory, it includes the new Audit Organization among the entities accredited to carry out audits within the scope of the Program, in accordance with the **General Regulation** and all applicable rules and procedures, deliberating with the Supervisory Body the frequency for the first 12 (twelve) months of operation.

ANNEX 9: PROCEDURE FOR ACCREDITING THE SUPERVISORY BODY

1. To maintain the ABVTEX Program within the standards established in its **General Regulation**, ABVTEX systematizes the rules and procedures to establish control over the actions of the Audit Organizations and their accredited auditors in the performance of audit services.
2. To perform these actions, ABVTEX may accredit a partner, called the Supervisory Body, different from the organizations accredited as Audit Organization and with no commercial relation that characterizes a conflict of interest between them.
3. The accreditation of this Supervisory Body is established by the policies established in the **General Regulation** and should follow similar criteria to the accreditation of Audit Organizations. Otherwise, the disqualification of a Supervisory Body in the forms and conditions described in the contract between ABVTEX and the Supervisory Body.
4. The accreditation of the Supervisory Body should be formalized in a contract with ABVTEX.
5. The official, public and updated list of the accredited supervisory bodies should be the one presented in the ABVTEX Portal (www.abvtex.org.br) in a clear and unambiguous manner and subject to frequent update.
6. The accreditation of a Supervisory Body should have an indefinite term and its condition should be reviewed annually, always depending on the results achieved within the Program.
7. As a priority, ABVTEX should accredit a single Supervisory Body, being able, at its discretion and at any time:
 - a. To accredit more than one Supervisory Body to carry out the same or different activities;
 - b. To disqualify all supervisory bodies and directly assume their functions, starting to directly perform all monitoring, control and audit development activities.
8. The Supervisory Body may be constituted in any legal form, that is, a private facility, association, non-profit or social interest institution, among others.
9. The Supervisory Body should maintain a team of observer auditors with the following characteristics:
 - a. To not maintain any commercial or functional relation with any of the organizations accredited as an Audit Organization;
 - b. To not carry out any activity, inside or outside the environment of the Supervisory Body, which characterizes a conflict of interest between its activities and the activities performed within the scope of the ABVTEX Program;
 - c. To have all the characteristics required for the accreditation of accredited auditors within the scope of the ABVTEX Program, as established in the **General Regulation** and in the Program rules and procedures;
 - d. To be accredited by ABVTEX to perform the function, as described in the Program rules and procedures for the accreditation of auditors.
- 10.A Supervisory Body, to remain accredited in the ABVTEX Program, should comply with all the criteria established for an Audit Organization, in accordance with these rules and procedures and with the **General Regulation**.

11. The services assigned to the Supervisory Body and regulated by these rules and procedures and those provided for in the **General Regulation** are:
- a. Conducting **Observation Audits**;
 - b. Carrying out **Verification Audits**;
 - c. Training of observer auditors and other auditors accredited under the ABVTEX Program;
 - d. Evaluation of Audit Organizations for accreditation or revalidation of accreditation;
 - e. Other ABVTEX support services for monitoring, controlling and/or developing the ABVTEX Program.

ANNEX 10: INTERNAL REGULATIONS OF THE ADVISORY BOARD

I. COMPOSITION

1. The Advisory Board is formed by entities representing the society, which, due to their vocation and way of acting, may contribute to the development of the ABVTEX Program.
2. The participating entities should be selected by the Program Management Committee, which, at any time, may determine the inclusion or exclusion of entities in the Advisory Board.
3. The participating entities should designate a titular member to participate in the Advisory Board, with no substitutes being appointed or participating. It is a decision of the Management Committee or ABVTEX Board of Directors to request such indication using correspondence to the entities participating in the Advisory Board, designating a deadline for such indication:
 - a. The Management Committee should hold a meeting, which should be recorded in a minute, with the list of members appointed to the Advisory Board;
 - b. The management of the members of the Advisory Board should be for an indefinite period, until they are replaced for any of the reasons provided for in item 3 of this Regulation. There should be no remuneration to the members of this Advisory Board.

II. FUNCTION AND PURPOSE

1. The functions and objectives of the Advisory Board are:
 - a. To analyze the ABVTEX Program and its requirements, proposing changes and improvements, if necessary;
 - b. To assist in the alignment of concepts, monitor the results of the Program and point out paths for its evolution;
 - c. To advise the Management Committee in special cases that require an external opinion;
 - d. To bring ABVTEX closer to the government, civil society and non-governmental organizations that may contribute to improve the working conditions in the national fashion value chain;
 - e. To follow the evolution of the Program and monitor its results;
 - f. To support ABVTEX in the dissemination of the Program.

III. REPLACEMENT OR EXCLUSION OF AN ADVISORY BOARD MEMBER

1. An Advisory Board member loses his/her place if:
 - a. The entity he/she represents is excluded from the Advisory Board;
 - b. He/she is out of the participating entity;
 - c. There is a formal request from the participating entity forwarded to ABVTEX; or
 - d. He/she misses 3 (three) consecutive meetings of the Advisory Board.

IV. CONVOCATION OF THE COUNCIL

1. The meetings of the Advisory Board are held every 6 (six) months.
2. The Management Committee may, as necessary, call an extraordinary meeting of the Advisory Board, designating a date, time and place for it.

3. A request from a member of the Advisory Board to call an extraordinary meeting should be submitted in writing to the ABVTEX Board of Directors, which should evaluate its pertinence and send a convocation, to occur within a maximum period of 30 (thirty) days.
4. The Advisory Board meetings should be chaired by a member of the Management Committee.
5. The Advisory Board may be invited to participate in the Management Committee meetings.

V. PRIOR NOTIFICATION OF THE MEETINGS

1. The notification of an Advisory Board meeting should be in writing (e-mail or letter) and should specify the date, time, location and agenda.
2. The notification should be made by the ABVTEX Administrative Team, at the request of the Management Committee, and should be sent at least 30 (thirty) days in advance.
3. A request by one or more members of the Advisory Board to add an item for discussion to the agenda should be made in writing and presented to the Management Committee, which may or may not approve it.

VI. MODIFICATION OF THE RULES OF THE ADVISORY BOARD

1. The current Rules are approved by the Management Committee.
2. Any suggestion of modification to the current Rules should be proposed to the Management Committee, which should evaluate its implementation and may or may not approve it.
3. The modifications to these Rules should be communicated to all members of the Advisory Board and should be incorporated into the same Rules.

ANNEX 11: INTERNAL REGULATIONS OF THE ARBITRATION COMMITTEE

I. FUNCTION

1. The Arbitration Committee is a deliberative and independent organism that is part of the Program Governance Structure of the ABVTEX Program, for decision-making on the respective tactical/operational issues.
2. It is the instance for the judgment of appeals on the decisions taken within the scope of the ABVTEX Program audits, such as:
 - a. Dispute by Suppliers and/or Subcontractors regarding punishments received;
 - b. Any complaints against Suppliers and/or Subcontractors for acts in disagreement with the ABVTEX Program;
 - c. Any complaints against the Audit Organizations or their auditors, for non-compliance with the policies, standards and procedures of the ABVTEX Program;
 - d. Any complaints regarding the non-compliance with the [Code of Conduct of the ABVTEX Program](#);
 - e. Issues related to the ABVTEX Program requiring an impartial judgment for decision-making.

II. COMPOSITION

1. The Arbitration Committee is composed of 6 (six) members, established as follows:
 - a. Two titular technical members, exempt and not participating in the tables of the Signatory Retailers, with this representation having the following characteristics:
 - A member should have recognized knowledge in the law Area, preferably in Labor Law;
 - A member should have recognized knowledge in the Audit Area, preferably in social responsibility auditing techniques;
 - The representation is of an individual nature and the invitation to these members should be renewed, at least, every 2 (two) years and these members may be replaced by simple deliberation of the ABVTEX Board of Directors;
 - These members should be formally invited by the ABVTEX Board of Directors, who should ratify the acceptance of the invitation.
 - b. Three full members, representatives of 3 (three) Signatory Retailers appointed by the Program Management Committee, having the following characteristics:
 - The members of the Arbitration Committee should be appointed by the chosen Signatory Retailers and the seats on the Arbitration Committee should belong to such Retailers, not having a very personal nature so that those retailers may replace the members they have appointed, at any time;
 - The choice of the 3 (three) facilities that are part of the Arbitration Committee should be carried out in a meeting of the Program Management Committee, by most of those present;
 - The designation of the members is the responsibility of each of the Retailers elected by the Management Committee, formally carried out;
 - The term of office of this representation is 2 (two) years.
 - c. A representative member of one of the entities participating in the Advisory Board, with such representation having the following characteristics:
 - This member represents the entity to which he/she is linked, and an individual representation is not appropriate here;
 - The choice of the entity should be made by formal invitation of the ABVTEX Board of Directors;
 - The designation of the representative should be made by the invited entity and should be formally carried out;
 - The entity may replace its representative at any time;
 - The term of office of this representation is 2 (two) years.

- d. Three alternate members, representatives of the Signatory Retailers, having the following characteristics:
- These members represent the Signatory Retail facilities appointed by the Program Management Committee and the alternate seats on the Arbitration Committee belong to such Retailers, not having a very personal character so that those retailers may replace the members they have appointed, at any time;
 - The choice of the 3 (three) Retailers that sit on the Arbitration Committee should be carried out at a meeting of the Program Management Committee, by most of those present;
 - The appointment of members should be made by the facilities chosen by the Management Committee and should be carried out formally and the alternate facilities should have the order of appointment (1st Alternate, 2nd Alternate and 3rd Alternate);
 - These members should only participate in the Arbitration Committee meetings to complement the structure in situations in which any of the titular members may not participate in any judgment, in cases of conflict of interest or impediment;
 - The term of office of this representation is 2 (two) years.

III. OPERATION

1. The Arbitration Committee meetings should be held virtually or in person, at the ABVTEX premises or at a place designated by ABVTEX and its titular and alternate members may participate in the judgments in any format, provided that there is no prejudice to the decisions taken.
2. The Arbitration Committee should be convened by the ABVTEX Administrative Team when there are one or more processes for its evaluation. There may be an urgent call if there is a process that is extremely critical or that may cause possible damage to the ABVTEX Program.
3. At the meetings of the Arbitration Committee, at least 5 (five) members should be present, including technical members, a member of the Advisory Board entity and members representing the Signatory Retailers or alternates. The resolutions should be approved by most 4 (four) votes and if a tie, the decision should be made by ABVTEX, represented by its Board of Directors.
4. The Signatory Retailers to the ABVTEX Program and Audit Organizations involved in the evaluated issues may participate in the Arbitration Committee meetings. These participants may present oral or written arguments, as long as they are authorized by the Arbitration Committee, but they should not have the right to vote.
5. During the meetings of the Arbitration Committee, preferably, the titular members should participate. However, if the judgment involves any element belonging to the supply chain of one of the Signatory Retailers with a seat among the members of the Committee, the ABVTEX Board of Directors may replace him/her by one of the alternates so that there is always total exemption regarding the final evaluation.
6. All decisions taken within the scope of the Arbitration Committee should be recorded in a minute signed by its members.

IV. PRIOR NOTIFICATION OF MEETINGS

1. The notification of an Arbitration Committee meeting should be in writing (e-mail or letter) and should specify the date, time, place and agenda.

2. The notification should be made by the ABVTEX Administrative Team and should be sent at least 15 (fifteen) days in advance.

V. MODIFICATION OF THE ARBITRATION COMMITTEE RULES

Any suggestion to modify these Rules should follow the Policies and Procedures adopted for changes in the **General Regulation** of the ABVTEX Program.

ANNEX 12: INTERNAL REGULATIONS OF THE MANAGEMENT COMMITTEE

I. FUNCTION

1. The Management Committee is the decision-making body of the ABVTEX Program.
2. The Management Committee guides the good development of the Program to achieve its objectives, listed below:
 - a. To develop a unique Program that allows the Signatory Retailers to ensure that their Suppliers and Subcontractors are complying with the aspects related to social responsibility, labor relations and issues related to the environmental area;
 - b. To establish the principles and criteria for conducting audits on Suppliers and/or Subcontractors in the fashion retail supply chain (clothing, footwear, accessories and textile goods);
 - c. To create audit criteria for the Suppliers and/or Subcontractors;
 - d. To promote, through evolutionary engagement and continuous improvement, the best practices in the retail sector covered by ABVTEX.
3. The Management Committee should guide all procedures and activities of the ABVTEX Program in compliance with the entity Statute.
4. It is a task of the Management Committee:
 - a. To give the necessary direction for the development, maintenance and coordination of the ABVTEX Program;
 - b. To establish the Program requirements and review them periodically, listening to the participants;
 - c. To receive and analyze criticisms and suggestions from participants and propose the necessary adjustments;
 - d. To discuss and approve the **General Regulation** and its subsequent amendments;
 - e. To monitor, through periodic evaluation, the performance of the ABVTEX Program;
 - f. To define the form of action, composition and regiment of the Program Advisory Board;
 - g. To determine matters that should be taken to the Advisory Board;
 - h. When deemed necessary or convenient, to invite the Advisory Board, members of the Board of Directors and/or members of the Suppliers Working Group of ABVTEX to participate in its meetings;
 - i. To request the Executive Director, on behalf of the Management Committee, to convene meetings of the Advisory Board;
 - j. To define plans for complementary verifications to the audits, if necessary;
 - k. To supervise the permanent compliance with the requirements and evaluate any non-compliance;
 - l. To recommend the exclusion of Signatory Retailers, when applicable;
 - m. To recommend the exclusion of Audit Organizations, when applicable;
 - n. To decide on omissions and unforeseen situations;
 - o. To decide on appeal cases and complaints from Suppliers and/or Subcontractors regarding the results of the audit process.
5. The members of the Management Committee should maintain the confidentiality of the information to which they have access, not being able to use it for any purpose other than the objectives of the ABVTEX Program.

II. COMPOSITION OF THE COMMITTEE

1. The Management Committee should be composed of 1 (one) representative member appointed by each Signatory Retailer to the ABVTEX Program. It should be up to the ABVTEX Board of Directors to request such indication, by correspondence or e-mail, to all retailers.
2. The representative appointed by each Signatory Retailer should occupy the position of holder in the Management Committee, being able to vote on behalf of the retailer he/she represents, being admitted to the appointment of an alternate, who may replace the titular member in his/her absence or definitively replace him/her in case of termination of the holder.
3. The members of the Management Committee should continue in their role until their replacement by their successors.
4. In case of dismissal of a retailer representative in the Management Committee, for any reason, the alternate or substitute appointed should assume the term of office of the dismissed member until there is a new appointment by this Signatory Retailer.

III. REPLACEMENT OR EXCLUSION OF A COMMITTEE MEMBER

1. A Management Committee member loses his/her seat if:
 - a. The Signatory Retailer he/she represents is excluded from the ABVTEX Program;
 - b. The Signatory Retailer is disconnected from the ABVTEX Program;
 - c. There is a formal request from the Signatory Retailer to the ABVTEX Program, forwarded to the ABVTEX Board of Directors; or
 - d. Missing 2 (two) consecutive meetings of the Management Committee.

IV. DECISION-MAKING AND MEETING PROCEDURES

1. The Management Committee may take decisions in physical and virtual meetings, and also by electronic correspondence.
2. The meetings of the Management Committee are chaired by a representative of ABVTEX or the Program Governance Structure, appointed by the ABVTEX Board of Directors.
3. The Management Committee should take decisions by consensus; in case of disagreement, every effort should be made to find consensual solutions.
4. If the Management Committee does not reach consensus on any item discussing, the chairman of the meeting should observe the absence of consensus and may decide to resort to voting.
5. Each member of the Management Committee should be entitled to 1 (one) vote, as long as he/she is present at the meeting. As an exception, the participation and voting of any member through virtual means should be accepted by whoever presides over the meeting.
6. The expenses related to the participation of members in the meetings are the responsibility of each Signatory Retailer.

7. It is up to the person designated by the members of the Management Committee to document the meeting in its entirety, as well as all the decisions taken by the Management Committee.
8. The minutes of the meetings should be signed by the members present and, later, forwarded to the other members of the Management Committee. It should be up to the ABVTEX Administrative Team to electronically send a copy of said minute.

V. CONVOCACTION OF THE MANAGEMENT COMMITTEE

1. The meetings of the Management Committee should be held on a quarterly basis and should be convened by the ABVTEX Administrative Team.
2. The ABVTEX Board of Directors may, at a predetermined date, time and place, as necessary, call an extraordinary meeting of the Management Committee, indicating the topic to be discussed.
3. A request from a member of the Management Committee to convene an extraordinary meeting should be submitted in writing to the ABVTEX Board of Directors, which should evaluate its relevance and send the convening of the meeting within a maximum period of 30 (thirty) days.

VI. PRIOR NOTIFICATION OF THE MEETINGS

1. The notification of a Management Committee meeting should be in writing (e-mail or letter) and should specify the date, time, place and agenda.
2. The notification should be made by the ABVTEX Administrative Team and should be sent at least 15 (fifteen) days in advance.
3. A request from one or more members of the Committee to add an item for discussion to the meeting agenda should be formulated in writing and presented to the ABVTEX Board of Directors, which, if considered valid, should add it to the agenda.

VII. MODIFICATION OF THE MANAGEMENT COMMITTEE RULES

1. The present Rules are approved by the ABVTEX Board of Directors.
2. Any suggestion of modification of the present Rules should be proposed to ABVTEX Board of Directors, which is responsible for evaluating and approving the suggestions, or rejecting them.

The amendments to these Rules should be instituted in meeting minutes of ABVTEX Board of Directors. The minutes should be sent by ABVTEX by correspondence or e-mail to all members of the Management Committee, being incorporated into these Rules **General Regulation** of the ABVTEX Program.

ANNEX 13: CHECKLIST APPLICABLE TO THE SUPPLIERS OR SUBCONTRACTORS - VERSION 5.0

ABVTEX PROGRAM CHECKLIST VERSION 5.0					
Item V. 4.03	Block	Item V. 5.0	Thematic Block		Criticality Level
			1 FORMALIZATION AND DOCUMENTATION		
1.1	BASIC	1.1	Is there evidence that the facility signed, updated and uploaded the Participation Term in the ABVTEX Program?		CRITICAL
1.2	BASIC	1.2	Is there evidence that the facility is incorporated as a legal entity in accordance with the Brazilian law?		CRITICAL
1.3	BASIC	1.3	Is there evidence that the facility has an updated CAGED statement or negative RAIS? Or, if the facility is already fully adapted to e-Social, does it present the reports regarding the respective events (S-1200, S-2200, S-2230, and S-2299)?		CRITICAL
1.4	BASIC	1.4	Is there evidence that the facility corporate status is regular? If the facility does not have workers and is constituted only by partners, is the facility corporate status regular? Does the facility present an updated CAGED or negative RAIS?		CRITICAL
1.5	BASIC	1.5	Is there evidence that the facility has updated GFIP bill with the name of all workers? Or, if the facility is already fully adapted to e-Social, does it present the reports regarding the respective event (DCTFWeb)?		MAJOR
1.6	BASIC	1.6	Is there evidence that the facility has an Operating License?	The facility has an expired Operating License or exemption, but it has a renewal protocol.	MINOR
				The facility does not have an Operating License or exemption and it only has a protocol for the first license.	MAJOR

				The facility does not have an Operating License or exemption, a protocol for renewal, or a protocol for the first license.	CRITICAL
1.7	BASIC	1.7	Is there evidence that the facility documents are updated (Internal Federal Revenue – Receita Federal, Board of Trade – Junta Comercial, and other competent agencies)?		
1.10	BASIC	1.8	Is there evidence that the facility publishes and/or exhibits the Code of Conduct of the ABVTEX Program to its workers?		MINOR
1.8	SUPERIOR	1.9	Is there evidence that the facility has a valid Health Permit (when applicable)?	The facility has an initial protocol or has an expired Health Permit with a renewal protocol within the deadline.	MINOR
				The facility has an expired Health Permit and an expired renewal protocol.	MAJOR
				The facility does not have a Health Permit or it has an expired Health Permit without a renewal protocol.	REQUIRED SILVER
1.9	SUPERIOR	1.10	Is there evidence that the facility has a valid CNDT (Debt Labor Clearance Certificate) of the Labor Court?		REQUIRED SILVER
NEW	SUPERIOR	1.11	Is there evidence that the facility has a Debt Clearance Certificate (CND – Certidão Negativa de Débitos) relating to the federal taxes, valid at the audit date?		REQUIRED GOLD
			2 WORKING CONDITIONS		
2.1		2.1	Child labor		
2.1.1	BASIC	2.1.1	Is there evidence that the facility, when having apprentice workers aged between 14 and 24 years old, develops the apprenticeship contract in accordance with the legal requirements?		ZERO TOLERANCE
2.1.2	BASIC	2.1.2	Is there evidence that the facility does not have under-14 children in its premises? Is there evidence that the facility does not allow minors, who are not part of the workforce, to remain in its premises as a whole?		CRITICAL

2.1.3	BASIC	2.1.3	Is there evidence that the facility, when having apprentice workers aged between 14 and 18 years old, complies with the labor laws (such as protection against exposure to hazardous and/or unhealthy work, prohibition of night shift work and legal employment contract)?	CRITICAL
2.1.4	SUPERIOR	2.1.4	Is there evidence that the facility complies with the legal conditions for the apprentice workers quota?	MINOR
2.2		2.2	Forced labor or analogous to slave labor	
2.2.1	BASIC	2.2.1	Is there evidence that the facility does not have forced labor or analogous to slave labor?	ZERO TOLERANCE
2.2.2	BASIC	2.2.2	Is there evidence that the facility does not loan values or retains personal documents in exchange for labor? Do the workers sign blank papers without knowing what the objective is?	ZERO TOLERANCE
2.2.3	BASIC	2.2.3	Is there evidence that the facility allows free movement of its workers in its premises?	ZERO TOLERANCE
2.3		2.3	Irregular foreign worker labor	
2.3.1	BASIC	2.3.1	Is there evidence that the facility does not have irregular foreign workers?	ZERO TOLERANCE
2.3.2	SUPERIOR	2.3.2	Is there evidence that the facility has copies of employment contracts and other contractual documents provided in the native languages of the foreign workers?	MAJOR
2.4		2.4	Recruitment and selection	
2.4.1	BASIC	2.4.1	Is there evidence that the facility does not require pregnancy tests during the recruitment process?	CRITICAL
2.4.2	BASIC	2.4.2	Is there evidence that the facility, during the recruiting process, provides the workers' previous knowledge on the formal employment conditions, physical premises, and nature of the work, and that there are no special fees or obligations for the recruiters?	CRITICAL
2.4.3	BASIC	2.4.3	Is there evidence that the facility does not employ threats, penalties, coercion and/or physical force as a means for recruiting (Brazilian or foreign) workers?	ZERO TOLERANCE

2.4.4	SUPERIOR	2.4.4	Is there evidence that the facility complies with the legal conditions for PCD worker (disabled people) quota?		MINOR
2.4.5	SUPERIOR	2.4.5	Is there evidence that the facility has effective processes to avoid irregular hiring of under-16 workers, disregarding the conditions of the current law for hiring minor apprentice workers?		MAJOR
NEW	SUPERIOR	2.4.6	Is there evidence that the facility uses employment agencies (outsourced labor agencies) to hire workers and is it in accordance with the legislation?	There are some isolated cases of violations.	MINOR
				Systemic occurrence of violations.	MAJOR
2.5		2.5	Housing		
2.5.1	BASIC	2.5.1	Is there evidence that the facility does not provide housing for its workers at the same workshop or industrial shed address?	The facility provides housing only for the owner, with no workers residing, integrated into the work environment, such as: semi-detached house, back house on the same land, front house on the same land, house on the same divided land or house within the facility area.	MAJOR
				The facility provides housing for the employees integrated into the work environment, such as: semi-detached house, back housing on the same land, front housing on the same land, house on the same divided land or house within the facility area.	CRITICAL
2.5.3	BASIC	2.5.2	Is there evidence that the facility provides housing in accordance with NR-24 and labor law?		CRITICAL
2.6		2.6	Freedom of association		
2.6.1	BASIC	2.6.1	Is there evidence that the facility does not intimidate its workers regarding the right of free association and Collective Bargaining Convention and/or Agreement?		CRITICAL
2.7		2.7	Discrimination		
2.7.1	BASIC	2.7.1	Is there evidence that the facility does not discriminate its workers based on age, ethnicity, sex, sexual orientation, group, religion, politics or any other specific reason?		CRITICAL

2.7.2	BASIC	2.7.2	Is there evidence that the facility provides special treatment to pregnant women in accordance with their individual needs?	CRITICAL
2.8		2.8	Abuse and harassment	
2.8.1	BASIC	2.8.1	Is there evidence that the facility has no complaints or any type of harassment from workers, considering the hierarchy?	CRITICAL
2.8.2	BASIC	2.8.2	Is there evidence that the facility asks the consent of the workers to overtime?	CRITICAL
2.8.3	BASIC	2.8.3	Is there evidence that the facility does not adopt abusive disciplinary practices?	MAJOR
NEW	BASIC	2.8.4	Is there evidence that the facility adopts procedures to avoid or mitigate the risk of moral, sexual harassment or violence at work, in accordance with the measures provided for by the Federal Law 14,457/2022?	MAJOR
2.9		2.9	Salary and compensation	
2.9.1	BASIC	2.9.1	Is there evidence that the facility pays salaries, overtime, DSR (paid week rest), 13 th salary, paid leave, vacations, additional premiums (night shift, unhealthy and hazardous work) in accordance with the labor law and Collective Bargaining Agreement?	CRITICAL
2.9.2	BASIC	2.9.2	Is there evidence that the facility complies with the other conditions provided for in the Collective Bargaining Agreement and/or Convention, except for the conditions set forth in item 2.9.1 of the ABVTEX Checklist?	MAJOR
2.9.3	BASIC	2.9.3	Is there evidence that the facility delivers copies of payslips to its workers?	CRITICAL
2.9.4	BASIC	2.9.4	Is there evidence that the facility makes the correct salary deductions, in accordance with the law, or the discounts not provided for by law are agreed with the worker?	CRITICAL
NEW	BASIC	2.9.5	Is there evidence that the facility observes and applies salary equality to women who perform the same function, as per the provisions of the Federal Law No. 14,457/22 and other provisions of the CLT (art. 373-A and 461)?	MAJOR
2.9.6	BASIC	2.9.6	Is there evidence that the facility legally registers all of its workers (CTPS)? If the facility is already fully adapted to e-Social, does it present the reports regarding the respective events (S-2200, S-2205, S-2206, and S-2299)?	CRITICAL

2.9.7	BASIC	2.9.7	Is there evidence that the facility has a Certidão de Débitos (Debt Certificate) related to federal tax credits and Dívida Ativa da União (Active Federal Debt), as well as the last 6 (six) paid INSS bills? Or, if the facility does not have a Certidão de Débitos (Debt Certificate), does the facility present the last 12 (twelve) paid INSS bills? Or, if the facility is already fully adapted to e-Social, does it present the reports regarding the respective event (DCTFWeb)?	The facility presented a valid positive certificate, indicating renegotiation of possible debts and punctuality in payments.	MINOR
				The facility did not present any supporting documentation regarding the regularity of the INSS payment.	CRITICAL
2.9.8	BASIC	2.9.8	Is there evidence that the facility has a Regular Certificate of FGTS/CRF? Or, to prove its regularity, does the facility present the last 12 (twelve) paid FGTS bills? Or, if the facility is already fully adapted to e-Social, does it present the reports regarding the respective events (S-1200, and S-2299)?		CRITICAL
2.9.9	BASIC	2.9.9	Is there evidence that the facility fully makes the payments, advances or loans through bank deposit in bank accounts held by the workers?		CRITICAL
2.9.10	BASIC	2.9.10	Is there evidence that the facility does not hire workers as legal entities or natural persons (such as MEI, self-employed or otherwise) with employment characteristics as assiduity and subordination, as a form of precariousness of labor relations?		CRITICAL
2.9.11	BASIC	2.9.11	Is there evidence that the facility correctly makes the termination of employment payment?		CRITICAL
2.9.12 Unfolded	BASIC	2.9.12	Is there evidence that the facility, when hiring workers under special conditions, such as probation regime, temporary contract, intermittent work, develops contracts in accordance with the law and the Collective Bargaining Agreement? Do the working day and the performance of the activities correspond to the hiring form?		MAJOR
2.9.12 Unfolded	BASIC	2.9.13	Is there evidence that, when hiring workers on a trial period, the contracts are in accordance with the law and/or Collective Bargaining Agreement? Do the working hours and activities correspond to the contracting method?		MAJOR
NEW	SUPERIOR	2.9.14	Is there evidence that, if the facility is a participant in the Citizen Facility Program (Programa Empresa Cidadã), provided for in the Law No. 11,770/2018, it adopts the possibility of replacing the extension		MAJOR

			period of the maternity leave with a reduction in the working hours by 50% for a period of 120 days, by individual agreement and full salary payment?	
NEW	SUPERIOR	2.9.15	Is there evidence that the facility did implement the +Women Employment Program (Emprega Mais Mulher) and offers a daycare reimbursement to the worker (man or woman) who has children up to 5 years and 11 months of age, in accordance with the Program, Law No. 14,457/2022?	MINOR
2.10		2.10	Worked hours	
2.10.1	BASIC	2.10.1	Is there evidence that the facility complies with the working hours in accordance with labor law and Collective Bargaining Agreement? Or, if the facility is already fully adapted to e-Social, does it present the reports regarding the respective events (S-1050, S-2200, and S-2206)?	MAJOR
2.10.2	BASIC	2.10.2	Is there evidence that the facility gives the workers the right to verify overtime? Are overtime and regular worked hours recorded on the same timecard and presented in the payslip? Or, if the facility is already fully adapted to e-Social, does it present the reports regarding the respective events (S-1050, S-2200, and S-2206)?	MAJOR
2.10.3	BASIC	2.10.3	Is there evidence that the facility prohibits and controls the workers of the production area to carry out production activities at their homes?	CRITICAL
NEW	BASIC	2.10.4	Is there evidence that the facility has a time bank program, in accordance with the labor law (established in an individual or collective agreement described in a Collective Bargaining Agreement)?	CRITICAL
2.10.4	SUPERIOR	2.10.5	Is there evidence that the facility allows the workers to record their own working hours?	MAJOR
				The facility is not required to maintain a formal control of timecards, and the workers do not register their entry and exit times or there is no formal timecard.
			The facility is required to maintain a formal control of timecards and the workers do not register their own entry and exit times.	REQUIRED SILVER
			3 OCCUPATIONAL HEALTH AND SAFETY	
3.1		3.1	Working conditions and infrastructure	

3.1.1	BASIC	3.1.1	Is there evidence that the facility building has no imminent structural risks (deep cracks, wide holes, accentuated infiltrations, beams and structures at risk of collapsing)?	The problems encountered do not represent immediate risks, requiring corrective maintenance to avoid structural risks.	MAJOR
				The problems encountered represent structural risks, which may present risks to the physical integrity of the workers and people who circulate around the facility.	CRITICAL
3.1.2	BASIC	3.1.2	Is there evidence that the facility has its internal areas designed in such a way that the use of provisional installations is not observed?		MINOR
3.1.3	BASIC	3.1.3	Is there evidence that the facility maintains its areas in good conditions of hygiene and cleaning?		MINOR
3.1.4	BASIC	3.1.4	Is there evidence that the facility provides potable water for its workers?	The facility provides potable water; however, it does not present the quality assurance reports.	MINOR
				The facility does not have maintenance records for the drinking fountains and/or the water supplied is inadequate.	MAJOR
3.1.5	BASIC	3.1.5	Is there evidence that the facility has a ventilation, exhaustion and/or air conditioning system that are adequate for all tasks performed in each step of the process?	Most of the areas have adequate ventilation, exhaustion and/or air conditioning system.	MINOR
				The facility does not have any ventilation, exhaustion and/or air conditioning system.	MAJOR
3.1.6	BASIC	3.1.6	Is there evidence that the facility complies with the minimum requirements for building conservation and comfort in accordance with NR-08?		MINOR
3.1.7	SUPERIOR	3.1.7	Is there evidence that the facility building structure and use are in accordance with the approved plan (for example, number of floors, number of buildings and roof)? And, does the building area match with the AVCB area (e.g. number of floors, number of buildings and roof)?		MAJOR
3.1.8	SUPERIOR	3.1.8	Is there evidence that the building is for single occupancy? Are there no other CNPJs at the same address in one of the following situations:	The facility shares the building with other facilities, whether in the same segment or not, and these facilities comply with all the minimum	MINOR

			<ul style="list-style-type: none"> • sharing in a building or vertical structure; or • sharing in a horizontal structure as long as there is interconnection between one facility and other; or • if there is no physical separation between the facilities, with single access and exits? 	<p>requirements for joint occupancy, such as: a Fire Department license, which covers the entire building, operation of all facilities installed in the building, joint evacuation drill and integrated fire alarm.</p> <p>The facility shares the building with other facilities, whether in the same segment or not, and these facilities do not comply with all the minimum requirements for joint occupancy.</p>	
3.1.10	SUPERIOR	3.1.9	Is there evidence that, when the facility provides a daycare center, the location and access to the daycare center is far from the production area, to ensure that children are safe and not exposed to any risks relating to the production environment?		MAJOR
3.1.11	SUPERIOR	3.1.10	Is there evidence that the facility does not have a sandblasting process to clean or roughen surfaces?		REQUIRED SILVER
3.2		3.2	Changing rooms and bathrooms		
3.2.1	BASIC	3.2.1	Is there evidence that the facility provides adequate ventilation to the changing rooms and bathrooms?	There is no ventilation in part of the changing rooms and bathrooms (occasional problem).	MINOR
				There is no ventilation in most of the changing rooms and bathrooms (systemic problem).	MAJOR
3.2.2	BASIC	3.2.2	Is there evidence that the facility provides toilets with seats and lids?	Most (more than half) of the toilets has seats and lids.	MINOR
				Few toilets have seats and lids, or a latrine is used as toilet.	MAJOR
3.2.3	BASIC	3.2.3	Is there evidence that the facility provides adequate number of toilets for its workers?		MINOR
3.2.4	BASIC	3.2.4	Is there evidence that the facility provides products intended to personal hygiene, such as toilet paper, liquid soap, paper towels for hands or other hygienic system for drying hands and a trash can with a lid?		MINOR

3.2.5	BASIC	3.2.5	Is there evidence that the facility provides separated changing rooms with doors duly identified, in accordance with the requirements of NR-24?	The changing rooms are separated by sex, but without identification.	MINOR
				The changing rooms are not separated by sex.	MAJOR
3.2.6	BASIC	3.2.6	Is there evidence that the facility provides separated bathrooms with doors duly identified, in accordance with the requirements of NR-24?	The bathrooms are separated by sex, but without identification.	MINOR
				The bathrooms are not separated by sex.	MAJOR
3.2.7	BASIC	3.2.7	Is there evidence that, in accordance with NR-24, for the facility that requires changing rooms, lockers are provided for the individual storage of belongings in adequate number? Are the lockers in good condition and clean? For the facility that are is required to have changing rooms, does the facility assure the provision of lockers, lockable drawer or similar that allows the individual storage of the workers' personal belongings or a luggage storage service?		MINOR
3.3		3.3	Dining hall		
3.3.1	BASIC	3.3.1	Is there evidence that the facility has a place for meals, as recommended by NR-24?		MAJOR
3.3.2	BASIC	3.3.2	Is there evidence that the facility has a place for meals and that it is clean and free of food residues?		MINOR
3.3.3	BASIC	3.3.3	Is there evidence that the facility has a place for meals and that the meals, foods, perishables, dishes and pans are properly stored?		MINOR
3.3.5	BASIC	3.3.4	Is there evidence that the facility has a place for meals that is separated from the production area?		MAJOR
3.3.6	BASIC	3.3.5	Is there evidence that the facility has a kitchen for preparing meals, and that it complies with item 24.6 of NR-24?		MAJOR
3.3.7	BASIC	3.3.6	Is there evidence that the facility has a gas cylinder system, such as LPG or other similar gas, installed in an external area, protected against the weather and having suitable fire extinguishers near the place?		MAJOR
3.4		3.4	Regulatory standards		
3.4.1	BASIC	3.4.1	Is there evidence that the facility establishes technical and legal requirements to install, maintain and operate boilers and pressure vessels in accordance with the requirements of NR-13?		MAJOR

3.4.2 Unfolded	BASIC	3.4.2	Is there evidence that the facility has machines, equipment, elevators and tables in satisfactory health and safety conditions, without adaptations or improvised structures?	Some machines, equipment and tables are in unsatisfactory health and safety conditions, without adaptations or improvised structures (except the elevators, which should be in satisfactory conditions).	MINOR
				All machines, equipment, elevators and tables are in unsatisfactory health and safety conditions, or there are adaptations or improvised structures.	MAJOR
3.4.3	BASIC	3.4.3	Is there evidence that the facility has and follows the PGR recommendations defined in accordance with all requirements of NR-01 and NR-09 and updated in continuous process continuous or every 2 (two) years or each 3 (three) years, if there is a certification? If the facility is ME or EPP and with risk 1 or risk 2 degree, does it comply with, in cumulative form, the requirements of NR-01 for exemption of a PGR?		MAJOR
3.4.4	BASIC	3.4.4	Is there evidence that the facility has and follows the PCMSO recommendations defined in accordance with all occupational requirements and risks defined in NR-01 and NR-07 and updated in accordance with the analytical report? If the facility is ME or EPP and with risk 1 or risk 2 degree, does it comply with, in cumulative form, the requirements of NR-01 for exemption of a PCMSO?		MAJOR
3.4.5	BASIC	3.4.5	Is there evidence that the facility, through a comparative analysis, has an updated ASO and includes all the exams provided for in the PCMSO for the functions considered?		MAJOR
3.4.6	BASIC	3.4.6	Is there evidence that the facility establishes a CIPA (Internal Accident Prevention Commission) in accordance with NR-05? In the case where a CIPA is not required, is there a facility representative responsible for the health and safety issues?	A CIPA is established, but the criteria, meetings minutes and training are partially performed.	MINOR
				A CIPA is not established in accordance with NR-05, or it is not established by the Law No. 14,457/22.	MAJOR
3.4.7	BASIC	3.4.7	Is there evidence that the facility provides seats for continuous work, where the worker may alternate between standing and sitting work (NR-17)? For activities in which work must be carried		MINOR

			out standing up, are there seats with backrests for resting in places where they can be used by workers during breaks?		
3.4.8	BASIC	3.4.8	Is there evidence that the facility provides seats at the workstations, and they comply with the minimum comfort and ergonomics requirements (NR-17)?	Less than 50% of the seats used do not comply with the minimum requirements.	MINOR
				50% or more of the seats used do not comply with the minimum requirements.	MAJOR
3.4.9	BASIC	3.4.9	Is there evidence that the facility provides adequate lighting for carrying out the activities?	When there is no adequacy in: <ul style="list-style-type: none"> • 50% or more of lighting in non-productive areas; or • 30% or more of lighting in environments in a production area. 	MINOR
				When there is no adequacy in: <ul style="list-style-type: none"> • 50% or more of lighting in non-productive areas; and • 30% or more of lighting in environments in a production area. 	MAJOR
3.4.2 Unfolded	BASIC	3.4.10	Is there evidence that the elevators are in satisfactory condition, in accordance with NR-11 and NBR 16,083/2012?	CRITICAL	
NEW	BASIC	3.4.11	Is there evidence that the facility complies with the quota of professionals with updated MTE registration, in accordance with the SESMT sizing table and complies with the requirements of NR-04?	MAJOR	
3.4.10	SUPERIOR	3.4.12	Is there evidence that the facility has workers involved in special tasks (such as: elevator load operator, forklift driver, boiler operator, electrician, loading platform operator, etc.) are duly licensed and trained?	REQUIRED SILVER	
3.4.11	SUPERIOR	3.4.13		The facility has an AET and does not comply with all recommendations.	MINOR

			Is there evidence that the facility has an AET (Ergonomic Work Analysis) in accordance with NR-17 and complies with all recommendations?	The facility does not have an AET.	MAJOR
3.5		3.5	Personal protective equipment (PPE)		
3.5.1	BASIC	3.5.1	Is there evidence that the facility does not have situations in which the workers are at risk situations without proper protection? Does the company have a PGR and fully comply with the requirements?		MAJOR
3.5.2	BASIC	3.5.2	Is there evidence that the facility provides adequate PPE, with CA (Certificate of Approval) label, duly replaced when necessary (in case of damage or loss) in accordance with NR-06, for its workers, and it has a PPE delivery form duly signed by the workers?	The facility provides PPE, but does not control it.	MINOR
				The facility does not comply with all requirements of NR-06 related to PPE.	MAJOR
NEW	BASIC	3.5.3	Is there evidence of the lack of use of Personal Protective Equipment (PPE), replacing the Collective Protection Equipment (EPC) necessary for greater employee protection, as defined by NR-12?		MAJOR
3.6		3.6	Handling of chemicals		
3.6.1	BASIC	3.6.1	Is there evidence that the facility provides FISPQs (SDSs/MSDSs) and that they are updated and available for all workers who handle chemicals, in the production areas, in accordance with Decree 10,088/2019? For the chemicals that already have FISPQs (SDSs/MSDSs), are these updated in accordance with NBR 14,725/2023?	The FISPQs are adequate, but they are not available for all workers who handle chemicals.	MINOR
				The facility does not have FISPQs available anywhere.	MAJOR
3.6.2	BASIC	3.6.2	Is there evidence that the facility provides training to its workers to correctly respond to leakages or accidents with chemicals, and that the facility provides the necessary resources?		MINOR
3.6.3	BASIC	3.6.3	Is there evidence that the facility properly stores hazardous and flammable substances in an adequate area?	The facility stores hazardous and flammable substances in accordance with the minimum requirements, but they are not correctly labeled.	MINOR

				All hazardous and flammable substances are not stored and kept properly.	MAJOR
3.6.4	BASIC	3.6.4	Is there evidence that the facility keeps hazardous and flammable substances in suitable containers, expiration date and duly labeled?	There are hazardous or flammable substances found just out of date.	MINOR
				Some hazardous or flammable substances are expired and/or in inadequate containers and/or without adequate labeling.	MAJOR
3.6.5	BASIC	3.6.5	Is there evidence that the facility correctly handles chemicals in its production area?		MINOR
3.6.6	SUPERIOR	3.6.6	Is there evidence that the facility provides CPE (Collective Protective Equipment), such as eyewash fountains, emergency showers, flags, exhaust fans, first aid kit, etc., in the places recommended by the FISPQs?		MAJOR
3.6.7	SUPERIOR	3.6.7	Is there evidence that the facility stores chemicals (except hazardous flammable chemicals) in an adequate area and properly?		MAJOR
3.6.8	SUPERIOR	3.6.8	Is there evidence that the facility performs and monthly updates the chemical inventory?	The facility has a chemical inventory with inconsistent information – it is incomplete, it is not updated and may be improved.	MINOR
				The facility does not have a chemical inventory.	MAJOR
NEW	SUPERIOR	3.6.9	Does the company use any products with chemical substances on the list of restricted substances in NBR 16787/2019?		MINOR
4 EMERGENCY RESPONSE					
4.1		4.1	Electrical installations		
4.1.1	BASIC	4.1.1	Is there evidence that the facility has adequate electrical installations with no exposed or spliced wires, wrapped and seamless wires, visually inadequate connections, line filter or device approved by INMETRO, used correctly and circuit breakers and sockets protected and identified?		MAJOR
4.1.2	BASIC	4.1.2	Is there evidence that the facility has an updated single-line diagram of the electrical installations, in accordance with item 10.2.3 of NR-10?		MAJOR

4.1.3	BASIC	4.1.3	Is there evidence that the facility has a register of its electrical installations, which certifies that they meet the necessary safety conditions, including inspections, measurements, results of tests, etc., in accordance with item 10.2.4 of NR-10?	MAJOR	
4.1.4	BASIC	4.1.4	Is there evidence that the facility signalizes its areas presenting electrical hazards (high voltage) in accordance with NR-10?	MAJOR	
4.2		4.2	Fire prevention and firefighting		
4.2.1	BASIC	4.2.1	Is there evidence that the facility has a valid Fire Department Permit (AVCB)?	The facility has an expired AVCB, but has a renewal protocol within the deadline or still has an initial protocol.	MINOR
				The facility has an expired AVCB, but has a renewal protocol after the deadline.	MAJOR
				The AVCB is expired, the facility does not have a requesting renewal protocol, or the facility has never had an AVCB, or the facility has never had an AVCB but has a requesting renewal protocol.	CRITICAL
4.2.2	BASIC	4.2.2	Is there evidence that the facility has unobstructed and signalized exits, in accordance with the characteristics and definitions of the State law?	MAJOR	
4.2.3	BASIC	4.2.3	Is there evidence that the facility has adequate escape routes in accordance with the applicable criteria (including signalization, emergency lighting, non-obstruction and adequate spacing)?	MAJOR	
4.2.4	BASIC	4.2.4	Is there evidence that the facility has firefighting equipment in a good state of conservation, validity, adequate quantity and signalization and unobstructed?	MAJOR	
4.2.5	BASIC	4.2.5	Is there evidence that the facility has a trained fire emergency brigade and performs regular evacuation drills?	MAJOR	
4.2.6	SUPERIOR	4.2.6	Is there evidence that the facility has an evacuation map, visible at the strategic points (considering its	The facility is classified as low risk (in accordance with the Annex 2 of this Manual) and does not have an evacuation map.	MINOR

			dimensions), so that all workers and visitors have access to this information?	The facility is classified as other than low risk (in accordance with Annex 2 of this Manual) and does not have an evacuation map.	MAJOR
4.2.7	SUPERIOR	4.2.7	Is there evidence that the facility has fire doors and that they are in accordance with ABNT NBR-11742:2003)?		MINOR
5 VALIDATION OF THE PRODUCTION CHAIN					
5.1		5.1	Invoices		
5.1.1	BASIC	5.1.1	Is there evidence that the facility uses invoices among the production stages?		CRITICAL
5.2		5.2	Supply chain monitoring (only applicable to suppliers)		
5.2.1	BASIC	5.2.1	Is there evidence that the facility has a process for selecting new subcontractors, regarding regular work?		MINOR
5.2.2	BASIC	5.2.2	Is there evidence that the facility has any formal document, such as Supply Contract, Commitment Term, or another document with the same degree of formality, signed by the subcontractors, considering the issues related to working conditions, as a condition for maintaining the commercial relations?		MINOR
5.2.3	BASIC	5.2.3	Is there evidence that the facility keeps an updated list, in electronic format, of all subcontractors with it maintains a commercial relation, with at least the following information: registration data (corporate name, address and CNPJ); type of service performed; and, conditions of formalization of the work (CLT)?		MAJOR
5.2.4	BASIC	5.2.4	Is there evidence that the facility carries out semi-annual monitoring of the activities of its current subcontractors related to regular work issues and requests a monthly copy of the INSS and FGTS bills? Or, if the facility is already fully to the e-Social, does it present the reports regarding the respective events (DCTFWeb, S-1200, and S-2299)?		MINOR
5.2.5	SUPERIOR	5.2.5	Is there evidence that the facility has formal contracts proving the relation with its subcontractors?		MAJOR
5.2.6	SUPERIOR	5.2.6	Is there evidence that the facility has a selection process of subcontractors using the "Dirty List" during the process?		MAJOR

5.3		5.3	Validation of the list of subcontractors (only applied to suppliers)	
5.3.1	BASIC	5.3.1	Is there evidence that the facility, during the traceability process of the orders of the signatory retailers, only uses declared and approved subcontractors? That is, there is not undeclared subcontractor that is approved in the Program ABVTEX ?	CRITICAL
5.3.2	BASIC	5.3.2	Is there evidence that the facility, during the traceability process of the orders of the signatory retailers, does not use subcontractors not approved in the ABVTEX Program ? That is, there is not undeclared subcontractor that is not approved in the ABVTEX Program .	CRITICAL
5.3.3	BASIC	5.3.3	Is there evidence that the facility has the order number of the signatory retailer in the shipment/return invoices? This number may to be the purchase order, model, internal reference, or supplier reference. For all orders, it should be verified if the official order number of the retailer (purchase order, part model, provider reference, etc.) is in all shipment/return invoices.	CRITICAL
5.3.4	BASIC	5.3.4	Is there evidence that the facility has the official order received from the signatory retailer with the part description?	CRITICAL
5.3.5	BASIC	5.3.5	Is there evidence that the facility has return invoices (in chronological order) of all subcontractors used in its production process?	CRITICAL
5.3.6	BASIC	5.3.6	Is there evidence that the facility has shipment invoices (in chronological order) for all steps of the production process (when subcontracted)?	CRITICAL
5.3.7	BASIC	5.3.7	Is there evidence that the facility has shipment/return invoices with dates before the sale date to the signatory retailer?	CRITICAL
5.3.8	BASIC	5.3.8	Is there evidence that the facility proves that the quantity of produced parts is within the 10% margin regarding the order made by the signatory retailer (shipment x return)?	CRITICAL
5.3.9	BASIC	5.3.9	Is there evidence that the facility proves that the quantity of produced parts is equal to or greater than the quantity sold/delivered to the signatory retailer?	CRITICAL
5.3.10	BASIC	5.3.10	Is there evidence that the facility controls its internal and/or external production?	CRITICAL

5.3.12	BASIC	5.3.11	Is there evidence that the facility has, where there is triangulation, invoices with the corresponding tax code (CFOP 5924 OR 6924) and the mention “por conta e ordem do fornecedor”, not characterizing an outsourcing?	CRITICAL
5.3.13	BASIC	5.3.12	Is there evidence that the facility presents purchase invoices for the inputs that compose the final product (for example, insoles, soles, and ornaments), when the process is not internally performed or by subcontractors?	CRITICAL
5.3.14	BASIC	5.3.13	Is there evidence that the facility and other facilities (subcontractors) in the same building are approved?	CRITICAL
5.3.15	BASIC	5.3.14	Is there evidence that the facility has a fiscal book and/or system for issuing invoices (of the last 3 months) for carrying out the traceability process?	CRITICAL
NEW	SUPERIOR	5.3.15	Is there evidence that the facility is not established and it does not operate only as a representative office (national or imported products), without internally having any production or product transformation process, with outsourcing of all production stages?	REQUIRED GOLD
5.4		5.4	Subcontracting services (only applied to subcontractors)	
5.4.1	BASIC	5.4.1	Is there evidence that the facility does not outsource to another subcontractor approved in the ABVTEX Program ?	CRITICAL
5.4.2	BASIC	5.4.2	Is there evidence that the facility does not outsource to another subcontractor NOT approved in the ABVTEX Program ?	CRITICAL
			6 TRANSPARENCY AND MANAGEMENT PRACTICES	
6.1	SUPERIOR	6.1	Is there evidence that the facility provides training for its workers on the <u>Code of Conduct</u> of the Program ABVTEX ?	MAJOR
6.2	SUPERIOR	6.2	Is there evidence that the facility has a designated worker responsible for the facility management systems (HR, Health and Safety, Environment) and is he or she responsible for handing the improvements identified during the audit?	MINOR

6.3	SUPERIOR	6.3	Is there evidence that the facility has its own policies covering, at least, the following topics: anti-corruption; anti-discrimination; child labor; forced labor; freedom of association; abuse and harassment; working hours; and, salaries and benefits?	MAJOR
6.4	SUPERIOR	6.4	Is there evidence that the facility has written policies, procedures and processes that are effectively communicated through the appropriate means of dissemination (for example, worker manual, board of messages, newsletter, regular meetings, etc.)?	MAJOR
6.5	SUPERIOR	6.5	Is there evidence that the facility has a master list with all documents used in its management systems? Do the documents have a date of the last version consistent with the documents used during the audit?	MINOR
6.6	SUPERIOR	6.6	Is there evidence that the facility adopts internal disciplinary practices for the leadership and workers when the internal policies are not complied with?	MINOR
6.7	SUPERIOR	6.7	Is there evidence that the facility has a denouncement channel or complaint system that is effective, accessible, equitable, transparent and confidential to resolve industrial disputes and deal with the workers complaints?	REQUIRED GOLD
6.8	SUPERIOR	6.8	Is there evidence that the facility conducts regular internal audits to evaluate its performance and results, identify the root causes of nonconformities or discrepancies and correct them accordingly (for example, updating policies and processes, providing training, etc.)?	MINOR
6.9	SUPERIOR	6.9	Is there evidence that the facility provides occupational health and safety training before the worker starts working, refreshment when necessary, and documents to prove the conformity?	MAJOR
6.10	SUPERIOR	6.10	Is there evidence that the facility has records to control its accidents? Are injury and incident records available and are all significant accidents and incidents duly investigated, reported and actions correctives adopted to minimize the repetition?	MINOR
6.11	SUPERIOR	6.11	Is there evidence that the facility has a communication channel to its workers (for example, hotline, board of messages, internal newspaper, etc.)?	MINOR
6.12	SUPERIOR	6.12	Is there evidence that the facility has a plan to evaluate and handle the worker complaints?	MINOR

6.13	SUPERIOR	6.13	Is there evidence that the facility provides an opportunity, when the solution of complaints/grievances fails, for a critical analysis by the senior management, and are the workers entitled to respond and/or appeal of the decision?	MINOR	
6.14	SUPERIOR	6.14	Is there evidence that the facility managers and supervisors are responsible for ensuring that there are no negative consequences for the workers who report complaints and/or denouncements?	MINOR	
6.15	SUPERIOR	6.15	Is there evidence that the facility does not retaliate when it receives complaints and denouncements?	MINOR	
6.16	SUPERIOR	6.16	Is there evidence that the facility, when adopting a disciplinary action against a worker, informs and delivers a written document to him or her, and is this disciplinary action kept in the personal worker file?	MINOR	
6.17	SUPERIOR	6.17	Is there evidence that the facility publicizes and/or makes available to its workers' information regarding the category salary, minimum legal salary and other relevant information of the Collective Bargaining Agreement?	MINOR	
ENVIRONMENT					
7.1		7.1	Licenses		
7.1.1	BASIC	7.1.1	Is there evidence that the facility has an environmental license, or it is exempt?	The facility has a renewal protocol that is not within the tolerance period, and it does not comply with state or municipal law.	MINOR
				The facility does not present an environmental license, or its exemption.	MAJOR
7.1.2	BASIC	7.1.2	Is there evidence that the facility complies with the conditions of the environmental license, or it complies with the conditions described in the exemption?	MAJOR	
7.1.3	BASIC	7.1.3	Is there evidence that the facility has the necessary documents for acquisition, storage and use of	The facility uses controlled products in its process and presents an expired mandatory license, but with a renewal protocol.	MINOR

			controlled products (Federal Police and Civil Police)?	The facility does not have licenses or the licenses are expired without a renewal protocol.	MAJOR
7.1.4	BASIC	7.1.4	Is there evidence that the facility has an MTR (Manifest of Waste Transport), CADRI (for the state of São Paulo) and Certificate of Final Destination of the generated waste?	The facility has a CADRI and MTR renewal protocol.	MINOR
				The facility does not have an MTR, Certificate of Final Destination and CADRI, or CADRI is expired.	MAJOR
7.1.5	BASIC	7.1.5	Is there evidence that the facility has a grant to catch water?	The facility is required to present a grant, but it is expired, and the facility has a renewal protocol.	MINOR
				The facility is required to present a grant, but it does not have one, or it is expired without a renewal protocol.	MAJOR
7.1.6	BASIC	7.1.6	Is there evidence that the facility has CTF-IBAMA when it has a potentially polluting activity (APP)?		MINOR
7.1.7	BASIC	7.1.7	Is there evidence that the facility has a boiler duly licensed by the competent environmental agency?		MAJOR
7.2		7.2	Management and general aspects		
7.2.1	SUPERIOR	7.2.1	Is there evidence that the facility has a person responsible for the facility environmental management?	The facility does not have a responsible person for all relevant environmental areas, but has a focal point for the environmental issues.	MINOR
				The facility does not have a responsible person for the environmental management.	MAJOR
7.2.2	SUPERIOR	7.2.2	Is there evidence that the facility has formalized policies and procedures for environmental issues, and that the facility applies and disseminate them?		MINOR
7.2.3	SUPERIOR	7.2.3	Is there evidence that the facility monitors its sources of fugitive emissions (air-conditioning system, CO ₂ extinguishers, etc.) from its operations?		MINOR
7.2.4	SUPERIOR	7.2.4	Is there evidence that the facility treats its domestic effluent, in accordance with the state law?		MAJOR

NEW	SUPERIOR	7.2.5	Is there evidence that the facility monthly monitors its water consumption and has targets for reducing it?		MINOR
NEW	SUPERIOR	7.2.6	Is there evidence that the facility monitors its energy consumption and has targets for reducing it?		MINOR
NEW	SUPERIOR	7.2.7	Is there evidence that the facility has environmental fines?		REQUIRED GOLD
7.3		7.3	Wastes		
7.3.1	SUPERIOR	7.3.1	Is there evidence that the facility has a PGRS (solid waste management plan)?		MAJOR
7.3.2	SUPERIOR	7.3.2	Is there evidence that the facility carries out and (monthly) updates the solid waste inventory?	The facility has the inventory, but the facility does not update it monthly and the facility does not belong to or have processes of the "Wet Group".	MINOR
				The facility does not comply with one of the following conditions: <ul style="list-style-type: none"> the facility presents the inventory, but the facility does not update it monthly and the facility belongs to or has processes of the "Wet Group"; the facility does not present the inventory and the facility does not belong to or have processes of the "Wet Group". 	MAJOR
				The facility has the inventory and belongs to or has processes of the "Wet Group".	REQUIRED SILVER
7.3.3	SUPERIOR	7.3.3	Is there evidence that the facility stores its wastes properly?	The facility does not store its wastes correctly; however, the facility does not have hazardous wastes, in accordance with NBR-10,004.	MAJOR

				The facility does not store its wastes correctly and has hazardous wastes, in accordance with NBR-10,004.	REQUIRED SILVER
7.3.4	SUPERIOR	7.3.4	Is there evidence that the facility has facilities that carry out transport and final destination of its hazardous wastes, with a valid Operating License from the competent environmental agency?	The facility does not have a license, but it presents a valid protocol.	MINOR
				The facility does not have a license or valid protocol.	MAJOR
7.3.5	SUPERIOR	7.3.5	Is there evidence that the facility burns waste in its boiler with authorization from the competent body?		MAJOR
7.3.6	SUPERIOR	7.3.6	Is there evidence that the facility does not burn waste in the open?		MAJOR
NEW	SUPERIOR	7.3.7	Is there evidence that the facility carries out waste sorting (organic, industrial, paper, metals, etc.)?		MINOR
		7.4	Effluents		
7.4.1	SUPERIOR	7.4.1	Is there evidence that the facility has a permit for disposing of its effluent?	The facility has a renewal protocol or permit request within the legal period.	MINOR
				The facility does not have a permit, or does not have a protocol within the legal period.	MAJOR
7.4.2	SUPERIOR	7.4.2	Is there evidence that the facility has an effluent treatment station (on site or outsourced, duly licensed)?	The facility presents evidence that it performs previous treatment; however, it does not present all documents. The effluent treatment station does not have an environmental license.	MINOR
				The facility generates industrial effluent and does not perform any type of treatment, or does not present any municipal contract, or a contract with an outsourced facility.	REQUIRED SILVER
7.4.3	SUPERIOR	7.4.3		The facility presents the analysis, but does not comply with the law.	MINOR

			Is there evidence that the facility complies with the effluent release standards as established in the operating license or by the outsourced facility?	The facility does not develop analysis.	REQUIRED SILVER
7.4.4	SUPERIOR	7.4.4	Is there evidence that the facility has, when the effluent treatment station fails, a backup option to avoid environmental damages?		MINOR
7.4.5	SUPERIOR	7.4.5	Is there evidence that the facility ensures that there is no risk of contamination of soil or water bodies due to transshipment of solid waste removed from the effluent treatment station?		REQUIRED SILVER
7.4.6	SUPERIOR	7.4.6	Is there evidence that the facility has, when the analysis does not comply with the parameters, an action plan to investigate them?		MINOR
7.5		7.5	Atmospheric releases		
7.5.1	SUPERIOR	7.5.1	Is there evidence that the facility uses an approved fuel in the boiler to generate steam?		MAJOR
7.5.2	SUPERIOR	7.5.2	Is there evidence that the facility has atmospheric releases complying with the standards and release limits approved in the operating license or specific authorization?		REQUIRED SILVER
NEW	SUPERIOR	7.5.3	Is there evidence that the facility monitors its greenhouse gases (GHGs) emissions?		MINOR