

B Lab Statement on Movimento #EUVISTOOBEM's B Corp Certification

B Lab's independent Standards Advisory Council has rendered the following decision and guidance regarding eligibility for B Corp Certification for companies operating in or selling to the prison industry, including companies utilising prison labour:

B Lab and its independent Standards Advisory Council have determined that companies operating in the prison industry are ineligible for B Corp certification. In addition, companies in the U.S. and Canada who sell to prisons, including companies that use prison labour, are placed under an indefinite certification moratorium and are not eligible for B Corp Certification.

B Lab and its independent Standards Advisory Council have determined that, outside of the U.S. and Canada, companies selling to the prison industry, including companies using prison labor, are eligible for B Corp Certification if they have not engaged in specific prohibited practices in the last five years AND are meeting additional industry specific practice requirements.

As a Certified B Corp that utilises prison labour, Movimento #EUVISTOOBEM is required to disclose a summary of how it complies with these industry requirements. For more information on the specific requirements, please refer to B Lab's statement on companies operating in or selling to the prison industry here.

Summary of Company

Movimento #EUVISTOOBEM is a fashion company based in Brazil. All products are 100% made with rejected or recycled raw materials. The company tries to offer work opportunities to women in vulnerable sectors of society, including those who are justice-impacted, immigrants, and refugees. Currently, the company employs 49 women in prisons, representing 74% of the company's overall workforce. These workers perform activities such as sewing garments and accessories, handling, and packaging.

Movimento #EUVISTOOBEM Disclosure on Prohibited Practices

Companies selling to the prison industry, including companies using prison labour, that have engaged in the following practices in the last five years, as demonstrated through company disclosures or through material, justified, and unresolved stakeholder concerns, are currently ineligible for B Corp Certification:

- Companies that contribute to the construction of new prisons or supply products and/or services designed to restrain or subdue people who are incarcerated, inflict harm or potentially used to inflict harm on people in prisons or other individuals, etc. are currently ineligible for B Corp Certification.
- Companies engaged in any form of lobbying or policy advocacy that directly or indirectly support mass, or increasing rates of, incarceration or prevent reform attempts to reduce incarceration. This includes membership, Board involvement, or funding of industry associations that engage in such lobbying activities.
- Companies with material, justified, and unresolved complaints about product quality, product price and/or work conditions for people in prisons.

Movimento #EUVISTOOBEM does not engage in any form of lobbying or policy advocacy that directly or indirectly support mass, or increasing rates of, incarceration or prevent reform attempts to reduce incarceration. The company does not have any material, justified, and unresolved complaints about product quality, product price and/or work conditions for people in prisons.

Required Best Practices - Companies Selling to the Prison Industry, Including Companies Using Prison Labor

In order to be eligible, companies selling to the prison industry, including companies using prison labor, must be able to demonstrate that they have the following practices in place and disclose them on their B Corp Profile:

1. A transparent mechanism to measure the impact of its products, services, policies and/or activities on reducing recidivism and outcomes for people in prisons and proof of positive impact deemed rigorous as a result of, for example, third party assessment and/or existing primary research.

Movimento #EUVISTOOBEM, since its conception in 2016, has impacted approximately 600 women in prison. From these, 12 were released and hired by the company. When the company is not able to employ someone recently released from prison, they try to connect these women with job opportunities in partner companies. The recidivism rate among participants of the program is 13%, lower than the country's average of 32%¹.

Movimento #EUVISTOOBEM currently has 4 production units, 3 in prisons and 1 that employs women after they are released from prison. The company's methodology was developed considering 3 main goals: Professionalization, Training and Re-education, and Job Market Allocation. Using their methodology, a person is ready for a sewing-related job position level 1 and 2 between 9 to 12 months of training and classes. The company offers 424 hours of training to women participating in their program, along with psychosocial support.

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¹ Instituto Igarapé, 2022. Available at: https://igarape.org.br/wp-content/uploads/2022/07/AE56 Reincidencia-e-reentrada-na-prisao-no-Brasil.pdf

B Lab encourages the company to continue tracking and measuring its impact in relation to work performed in prisons. More robust assessments are recommended to ensure it can have a larger picture of how their work impacts workers while and after leaving the prison. The company was a certified B Corp at the time the Prison Risk Standards were developed, the company has a grace period of one recertification cycle to meet all requirements in order to remain eligible.

2. A public stance against mass, or increasing rates of, incarceration and other material issues related to the prison industry, approved by the highest level of governance (e.g., Board of Directors) within the company, and a commitment to making efforts towards collective action and/or engagement with stakeholders, focused on improving how people who are incarcerated are viewed and treated before, during and after incarceration.

In alignment with the requirements and principles stated in B Lab's position statement for companies that work with prison suppliers, Movimento #EUVISTOOBEM has the following philosophy in regard to mass incarceration, collective action, and government affairs. The philosophy statement reads as follows:

"Through job opportunities, Movimento #EUVISTOOBEM hopes to contribute to improving how people who are incarcerated are viewed and treated before, during, and after incarceration, recognizing the importance of facilitating their successful reintegration into society. Specifically in terms of employment, Movimento #EUVISTOOBEM currently incorporates a hiring strategy that offers opportunities to incarcerated individuals approaching their release from prison. In the future, Movimento #EUVISTOOBEM intends to extend its activities to include re-entry programs for formerly incarcerated individuals. By providing employment opportunities, Movimento #EUVISTOOBEM seeks to contribute to reducing barriers faced by individuals with criminal records, promoting their reintegration, and helping to break the cycle of recidivism.

While Movimento #EUVISTOOBEM acknowledges that there is no easy solution to the complex issue of mass incarceration, the team remains dedicated to creating a fair and just society for all members of the community.

In addition to providing opportunity to offenders (and ex-offenders in the future), Movimento #EUVISTOOBEM does NOT contribute to the construction of new prisons. Nor do we supply products and/or services that restrain, harm, or subdue people who are imprisoned. Movimento #EUVISTOOBEM is strongly against any actions that support mass, or increasing imprisonment - instead we favour reform and action to reduce incarceration. Movimento #EUVISTOOBEM is committed to ensuring job parity for all that want to work for us".

3. Public disclosure detailing the company's approach to government affairs, inclusive of lobbying/advocacy and political activities. This should include disclosure of the material issues that the company lobbies/advocates for, their trade associations, and the controls they have in place in regards to political contributions, lobbying/advocacy on the company's behalf, revolving door policy, political contributions and donations.

Currently, Movimento #EUVISTOOBEM has a conservative approach to government affairs. The company does not engage in any lobbying/advocacy or political activities, nor make any political contributions or donations.

4. Policies and practices to address the concerns of mass, or increasing rates of, incarceration and the prison industry in other aspects of its operations, including its charitable efforts, fair chance hiring practices, customer screenings, affected stakeholders incorporated in governance structure, etc.

The company has two internal policies that guide its hiring practices:

- A. Open Hiring Policy: Movimento #EUVISTOOBEM has a hiring policy that provides opportunities for people with historically low employability. No candidate for the vacancy should be discriminated against. The company intends to welcome and develop the workers' skills, such as labor qualifications, increasing the chances of professional development within and outside the company. The lack of prior experience or qualifications, for example, is not considered an obstacle, since the company is willing to provide appropriate internal training to ensure their employees are able to perform their role.
- B. Non-Discrimination Policy: Movimento #EUVISTOOBEM is completely against any type of discrimination, including, but not limited to, gender, sexual orientation, color, race, ethnicity, age, and previous incarceration history. Given the company's open hiring policy, Movimento #EUSOOBEM tries to ensure no worker feels discriminated against or even marginalized by the team itself. The same extends to customer service and relationships with direct and indirect suppliers, where everyone must be treated respectfully and without any prior judgment.

Required Best Practices - Companies Using Prison Labor

1. Company conducts an application process where workers express interest in the specific work opportunity and each worker receives and signs a standardised consent form from the enterprise indicating that they agree to work. The form indicates the wages and conditions of work.

The application process is carried out by the prison unit, FUNAP, the body that governs prison work within Brazil. The candidate screening process is only carried out for people who volunteer for work. All information relevant to establishing the contract is informed to workers, including

work schedules, responsibilities, rules and other policies adopted by the company. A contract is signed by both parties agreeing on working arrangements.

- 2. The conditions of work the enterprise offers are similar to work outside the prison, namely:
 - a. Wages and any deductions are made transparent and are comparable to those of free workers with similar skills and experience in the relevant industry or occupation, taking into account factors such as productivity levels. Costs the enterprise may incur for prison security supervision of the workers should not be borne by workers.
 - b. Workers receive clear and detailed wage slips showing hours worked, wages earned and any deductions authorized by law for food and lodging. Wages are paid directly to workers, when possible. In cases where local laws prohibit direct payment of wages, companies must have systems in place to guarantee that workers receive wages as intended.
 - c. The daily working hours are in accordance with local law for free workers.
 - d. Safety and health measures respect local law for free workers.
 - e. Workers are included in the social security scheme for accident and health coverage.

All payments made by Movimento #EUVISTOOBEM are to FUNAP, the governmental entity responsible for supporting people in prison. The monthly salary paid by Movimento #EUVISTOOBEM corresponds to the national minimum wage and it is updated as needed. FUNAP is accountable for making the final payments to workers. The company is aware that in the contract it is established that only 75% of the total salary paid by the company is transferred to the workers, the remaining 25% goes to a fund to pay individuals in prison who are performing internal tasks for the prison unit. The company has not demonstrated to have systems in place to compensate for the discounts made by the prison administration, however, given the company was a certified B Corp at the time the Prison Risk Standards were developed, the company has a grace period of one recertification cycle to meet this requirement in order to remain eligible.

All individuals working for Movimento #EUVISTOOBEM from prisons are covered by life insurance and every month the company distributes individual hygiene kits containing basic personal products. Seasonally, the company tries to provide other requested goods and food treats to their employees, but the products and the frequency of these actions are subject to prison unit approval. Workers performing tasks outside prison units also receive monthly food and transportation allowance to account for their costs.

The working hours correspond to a daily (business days) workload of 9 hours with a lunch break of one hour.

3. Workers obtain benefits such as learning new skills and the opportunity to work cooperatively in a controlled environment enabling them to develop team skills.

All the practical and theoretical knowledge required for the job is taught by the company. Workers learn all the steps of textile and cloth manufacturing, including sewing, cutting, finishing, quality control, handling, checking, and other activities aligned with a workshop. In addition to that, Movimento #EUVISTOOBEM offers psychosocial support to its workers, mainly focused on resocialization. Other types of support and lectures include, for example, basic finance, psychoanalysis, raising self-esteem, building goals and dreams, work posture, hierarchy, and teamwork, among others.

4. Workers have the possibility of continuing work of the same type upon release and the company provides post-release benefits to workers, such as contributions to post-release savings accounts and employment support.

Upon release, workers have the opportunity to be hired as full-time employees at Movimento #EUVISTOOBEM or to be referred to the company's partners in the same industry.

5. Workers may withdraw their consent at any time, subject only to reasonable notice requirements.

Any worker can request their dismissal by notifying their prison unit at any time without negative consequences.

6. The company maintains a transparent quality assurance system that includes direct and private feedback from workers, and where possible, takes action based on the feedback.

Movimento #EUVISTOOBEM has an internal feedback system. Each worker from prison is part of a group that is led by a company's representative. This group leader is the main contact person between the company and workers from prison. Leaders are responsible for helping in the sewing learning, reviewing individual performance, discuss goals and work posture.