

# GUIDANCE DOCUMENT FOR SOCIAL ACCOUNTABILITY 8000 (SA8000®:2014)

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## INTRODUCTION TO THE SA8000:2014 GUIDANCE DOCUMENT

As with previous versions of Guidance, this document is intended to provide explanations, background information, interpretation, and support for SA8000 applicant and certified organisations, auditors and other users of the SA8000 Standard. It is not intended to be exhaustive and does not include all matters of interpretation or implementation that arise when implementing SA8000 in the workplace. SAI also provides the Performance Indicator Annex and maintains a list of Frequently Asked Questions (FAQs) that includes answers to interpretation questions not addressed in these materials. The Guidance does not add any new requirements to the Standard, but rather explains the general expectations of organisations seeking or maintaining SA8000 compliance. This 2014 version replaces previous versions (2004 and 2008).

As noted in the Standard and throughout this document, whenever a question of interpretation arises due to differences between national or local laws or others standards or requirements, and the Standard, organisations and auditors shall apply the provision that is most favourable to workers. Additionally, the scope of the Standard includes all personnel within the organisation's control and influence who provide products or services for that organisation, including personnel employed by the organisation itself and by its suppliers, sub-contractors, sub-suppliers and home workers.

## HOW TO READ THIS DOCUMENT

This Guidance document has been revised to address the changes to SA8000 during the 2014 revision process. The document was restructured for clarity and ease of use. Each section follows the following structure:

1. **Relevant SA8000 Definitions:** Relevant definitions are included for ease of use
2. **SA8000 Requirements:** The text of each requirement is included for ease of use.
3. **Background and Intent:** This section explains the relevant international norms and standards and the intent of each requirement.
4. **Implementation Guidance:** This section provides practical guidance for SA8000 applicant or certified organisations on how to implement each requirement of the Standard.
5. **Auditor Guidance:** This section addresses specific issues for auditors to consider for each requirement as they conduct SA8000 audits. It also includes some guidance on how to conduct worker interviews.

Although the document has been divided between sections for SA8000 organisations and auditors, **it is useful and recommended for all users of the Standard to read all sections** to fully understand the requirements and expectations for SA8000 implementation.

The most significant changes were made to SA8000 3. Health and Safety, and SA8000 9. Management System. As a result, those sections the longest and most robust in this Guidance document. Due to the integration of Social Fingerprint into the certification process, the structure of Section 9 slightly varies from the other sections in order to provide more explanation about Social Fingerprint. Additionally, although the management system requirements are summarized in SA8000 9. Management System, organisations and auditors should use a holistic management system approach to implementing the performance elements (1-8) of the Standard as well.

This Guidance Document should be read in parallel to the Performance Indicator Annex. The Annex lists specific performance expectations for SA8000 certified organisations, while the Guidance Document provides more general interpretative and practical guidance for organisations and auditors. The two documents complement each other, in order to build a more comprehensive and robust certification system. The key difference between

the two documents is that the performance indicators serve as a secondary reference for non-conformances against each specific SA8000 requirement, while the guidance provides supporting information and recommendations to help organisations implement the Standard, and auditors conduct SA8000 audits.

## 1. CHILD LABOUR

### RELEVANT SA8000 DEFINITIONS

1. **Child:** any person under 15 years of age, unless the minimum age for work or mandatory schooling is higher by local law, in which case the stipulated higher age applies in that locality
2. **Child labour:** any work performed by a child younger than the age(s) specified in the above definition of a child, except as provided for by ILO recommendation 146.
3. **Remediation of child labourers:** all support and actions necessary to ensure the safety, health, education and development of children who have been subjected to child labour, as defined above, and whose work has been terminated.
4. **Young worker:** any worker under the age of 18 but over the age of a child, as defined above.

### SA8000 REQUIREMENTS

- 1.1 The organisation shall not engage in or support the use of child labour as defined above.
- 1.2 The organisation shall establish, document, maintain and effectively communicate to personnel and other interested parties, written policies and procedures for remediation of child labourers, and shall provide adequate financial and other support to enable such children to attend and remain in school until no longer a child as defined above.
- 1.3 The organisation may employ young workers, but where such young workers are subject to compulsory education laws, they shall work only outside of school hours. Under no circumstances shall any young worker's school, work and transportation time exceed a combined total of 10 hours per day, and in no case shall young workers work more than 8 hours a day. Young workers may not work during night hours.
- 1.4 The organisation shall not expose children or young workers to any situations – in or outside of the workplace – that are hazardous or unsafe to their physical and mental health and development.

### BACKGROUND AND INTENT

#### BACKGROUND: RELEVANT INTERNATIONAL NORMS

Since 1919, the year of its establishment, the International Labour Organization (ILO) has adopted more than ten conventions addressing problems related to child labour, among which the Minimum Age Convention 138 (1973) and the Worst Forms of Child Labour Convention 182 (1999) are the two cornerstones. In addition to the major international and national initiatives focusing on the prevention and elimination of child labour, there have been an increasing number of initiatives in the private sector. For instance, almost all the major codes of conduct developed since the early 1990s by multinational corporations contain an element stipulating a prohibition against child labour. Moreover, most of the existing external labour standards have clear policies against child labour.

Convention 138, adopted in 1973, consolidated the principles of previous conventions dating from the founding of the ILO that addressed child labour and remains a fundamental instrument on child labour. It applies to all sectors of economic activity and all types of work. The key requirement of Convention 138 is that national governments pursue a national policy designed to ensure the effective abolition of child labour and to increase progressively the minimum age for admission to employment to a level that enables “the fullest physical and mental development of young persons.” Though Convention 138 (with Recommendation 146) allows some developing countries to set a minimum age for general employment at 14 and a minimum age for light work at 12, the goal is to urge member

states to progressively increase the minimum age for general employment to 16. Another important requirement is that a higher minimum age of at least 18 must be established for hazardous work, which is defined as work that by its nature or the circumstances in which it is carried out is likely to jeopardize the health, safety or morals of young persons. The Minimum Age (Non-Industrial Employment) Convention 33 (1932) also provides some specific guidelines related to hours of work for young workers and light work for child labour.

In June 1999, the ILO unanimously adopted its most recent instruments on child labour Convention 182 against the Worst Forms of Child Labour, and Recommendation 190. It is recognized that the abolition of the full range of child labour is a gradual process, and the ILO therefore decided to make the eradication of the worst forms of child labour a matter of top urgency.<sup>1</sup>

Convention 182 allows for determination at the national level of what constitutes work likely to harm the health, safety or morals of a child. The Convention stipulates that the national authority should, after consultation with the employers and workers concerned, make such determinations. It also provides that consideration be given to Article 3 of Recommendation 190, as it provides further guidance on which types of work are likely to be harmful to children. As noted in Recommendation 190, particular attention should be given to:

1. Work that exposes children to physical, psychological or sexual abuse
2. Work underground, underwater, at dangerous heights or in confined spaces
3. Work with dangerous machinery, equipment and tools, or work which involves the manual handling or transport of heavy loads
4. Work in an unhealthy environment that may, for example, expose children to hazardous substances, agents or processes, or to temperatures, noise levels or vibrations damaging to their health
5. Work under particularly difficult conditions such as work for long hours or during the night, or work where the child is unreasonably confined to the premises of the organisation

As of January 2016, 168 countries had ratified Convention 138 and 180 countries had ratified Convention 182. This indicates national governments' acceptance of and commitment to the eradication of child labour, particularly in its worst forms. By ratifying ILO conventions, national governments are generally obliged to:

1. Establish and/or revise national legislation to reflect the ILO principles
2. Establish appropriate specific regulations governing work/employment conditions
3. Establish appropriate penalties or other sanctions to ensure the effective enforcement of its provisions

Moreover, Convention 138 and Convention 182 are fundamental ILO conventions. According to the 1998 Declaration on Fundamental Principles and Rights at Work, which is also endorsed by the UN Guiding Principles, even the member States that have not yet ratified these Conventions should respect, promote and realize the principles. Thus, all Member States are committed to respecting the principle of abolishing child labour.

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<sup>1</sup> Per Convention 182, the worst forms of child labour include:

All forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; The use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances; The use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties; Work, which by its nature or the circumstances in which it is carried out is likely to harm the health, safety or morals of children.

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## INTENT OF THE STANDARD

The intent of the SA8000 prohibition on child labour is to protect children from exploitation in the workplace throughout the global supply chain. According to the latest ILO estimates reported in 2012, there are 168 million children under the age of 18 in child labour, of which 51% or 85 million are engaged in hazardous work, a proxy indicator for the worst forms of child labour.<sup>2</sup> This remains the case despite the fact that child labour is illegal in the vast majority of countries.

Poverty is widely regarded as a major cause of child labour, as indicated by a strong negative association between the level of economic development and the scale of the child labour problem. However, poverty is not the only cause of this problem; rather child labour often perpetuates the cycle of poverty. Cultural beliefs, traditional mores, inequality in wealth distribution, market demand (for children at pay rates cheaper than adults), and lack of political will to tackle the problem all contribute to the perpetuation of child labour. For instance, in many societies, children are traditionally expected to contribute to family income, and a working childhood is considered a natural phase in the social integration process. In other societies local, clan, or family tradition often considers child labour as a tool for the socialization of children.

Nevertheless, despite the complexities related to this problem, there is a growing international consensus, including in many countries where child labour is a serious problem, that:

1. Childhood should be dedicated to education and development, not to work.
2. Child labour often jeopardizes children's chances of becoming productive adults.
3. Child labour perpetuates poverty and social inequality.
4. Child labour can jeopardize a country's reputation and productivity, as well as global acceptance of its exports.

In most places, employing a child under 15 is considered child labour. In cases where the local minimum working age is higher than the age defined by the Standard, the organisation should apply the provision that is most protective of workers. For example, Chinese law classifies young workers as being between 16 and 18 years old, so the minimum working age is 16 and young workers are those between the age of 16 and 18 years of age. However, since Convention 138 is one of the normative elements of SA8000, the Standard provides an exception for developing countries regarding the minimum age, as per Article 2.4 of that Convention. This exception allows certain countries to establish a minimum age of 14.<sup>3</sup> However, the organisation must implement adequate protections for these young workers.

This requirement is intended to protect children, so remediation of child labour is central. The organisation is required to ensure that a child found to be working is able to enter and remain in school until he or she is no longer a child. This requirement is meant to clarify and emphasize that this part of the organisation's support must address issues that impede a child from going to school. Depending upon the age of the child in need of

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<sup>2</sup> Figures retrieved from "Global child labour trends 2008 to 2012," available at: [http://www.ILO.org/ipec/Informationresources/WCMS\\_IPEC\\_PUB\\_23015/lang--en/index.htm](http://www.ILO.org/ipec/Informationresources/WCMS_IPEC_PUB_23015/lang--en/index.htm).

<sup>3</sup> Countries that have ratified this convention and have a minimum age of 14 with this exception, as defined by the ILO, currently include: Afghanistan, Angola, Bahamas, Belize, Benin, Bolivia, Botswana, Cambodia, Cameroon, Central African Republic, Chad, Congo, Cote d'Ivoire, Democratic Republic of the Congo, Dominican Republic, El Salvador, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guatemala, Guinea-Bissau, Haiti, Honduras, Kiribati, Lao People's Democratic Republic, Lebanon, Malawi, Mauritania, Namibia, Nepal, Nicaragua, Niger, Pakistan, Panama, Paraguay, Peru, Rwanda, Saint Vincent and the Grenadines, Sao Tome and Principe, Solomon Islands, South Sudan, Sri Lanka, Sudan, United Republic of Tanzania, Togo, Uganda, Bolivarian Republic of Venezuela, Yemen, Zimbabwe. (This list is current as of February 2016, available at [http://www.ILO.org/dyn/normlex/en/f?p=NORMLEXPUB:11300:0::NO::P11300\\_INSTRUMENT\\_ID:312283](http://www.ILO.org/dyn/normlex/en/f?p=NORMLEXPUB:11300:0::NO::P11300_INSTRUMENT_ID:312283); SAI will update the list as necessary).

remediation, educational facilities could take the form of day care, primary education, secondary or vocational education.

## IMPLEMENTATION GUIDANCE

SA8000 requires organisations to implement an effective management system to manage social performance for Elements 1-8. Please refer to Section 9 for detailed guidance on the management system requirements (SA8000 9. Management System). The components of an effective management system are:

1. *Policies, Procedures and Records*
2. *Social Performance Team*
3. *Identification and Assessment of Risks*
4. *Monitoring*
5. *Internal Involvement*
6. *Complaint Management and Resolution*
7. *External Verification and Stakeholder Engagement*
8. *Corrective and Preventive Actions*
9. *Training and Capacity Building*
10. *Management of Suppliers and Contractors*

*The organisation should develop a management system to effectively meet the SA8000 performance requirements for SA8000 1. Child Labour.*

### 1. Create and Communicate Policies and Procedures

- a. **Organisation Planning and Tracking:** Under SA8000 1.2, the organisation is required to define its policies/procedures about child labour and young workers, and have a plan in place for the remediation of child labourers in case children are ever found to be working in the organisation. In doing so, the organisation should review guidance for the creation of effective policies and procedures in SA8000 9.1. Policies, Procedures and Records. The organisation should ensure that the complexity and the level of detail in the policy is commensurate with the risk to the organisation. For example, in an industry and location where child labour is highly uncommon, the policy may be a simple statement incorporated within the hiring policy/procedure.
  - i. Organisations must have effective procedures (SA8000 9.1.4) to avoid the hiring of children. Procedures must define the operational controls required to ensure that policy requirements regarding children and young workers are met and the evidence (records) which may be used to demonstrate effective implementation of specified controls (e.g. review of original birth certificate, and/or other proof of age, and copies retained in personnel files). This may involve additional training for managers and/or a program in collaboration with local health workers or school administrators who may be able to assist with identification and monitoring of child workers.
  - ii. Any organisation that considers the employment of young workers must have a management-tracking tool for supervising young workers to ensure that their jobs are low risk and their schedule permits them to continue schooling.
  - iii. In cases where children are found working, the organisation should immediately remove any child workers from the workplace. However, the organisation also must ensure that the children do not suffer more than if they were to remain working, and that they do not simply return to work at another company. Therefore, the organisation should track and protect former child workers, and

enroll them in a long-term program or school until each child reaches the employment age or exceeds compulsory schooling age as required by national legislation, whichever is higher. The organisation should work with the child's parents and local social service organisations (NGOs, community groups, etc.), if appropriate, to ensure that adequate schooling or day-care facilities are available, or to serve as a catalyst to encourage the provision of such services by local government.

- b. Effective Communication of Policies and Procedures: SA8000 1.2 requires the organisation to effectively communicate its child labour policies and remediation procedures to personnel and other interested stakeholders. The policy should be communicated to all workers, especially any workers below the legal minimum age to work, and their families and local communities. Organisations should refer to section 9.1 Policies, Procedures and Records for guidance on the communication of procedures. Generally, this communication may involve methods such as: translating communications into all relevant languages and distributing them at worksites on and off the organisation's premises; maintaining a communications contact list of specific interested parties; providing information on the organisation's website. Informing other interested parties requires some outreach or accessibility to relevant child welfare organisations, governmental, and NGO representatives.
- c. Remedial and Financial Support: The need to protect children from exploitative conditions must be balanced with the risk of taking precipitous action(s) that could harm the children or significantly worsen their overall welfare. Any children found working should not simply be dismissed; rather, they should be taken out of work and immediately enrolled in a remediation program, as prescribed by the national legislation and the intent of SA8000. SA8000 1.2 therefore requires the organisation to provide financial and other support to enable children removed from the workforce to attend and remain in school until no longer considered a child based on national law. This requirement is meant to clarify and emphasize that this part of the organisation's support must address issues that impede a child from going to school.

Providing support may include ensuring that children are able to secure school fees, uniforms, books, etc. In areas where schools or other education services are not available, the organisation's support efforts may include supporting the establishment and maintenance of a school through partnerships, such as an alliance of local government and NGOs. Support of such services must be verifiable and effective. Other required support could include the hiring of another member from the child's family to ensure that the family does not lose the income or, if that proves unfeasible, providing for a family stipend to replace a child's lost wages.

In some countries, national law requires identified child workers to be sent home or transferred to his/her parent or guardian's custody immediately. If taking this type of action, the organisation should inform and involve government and NGO experts. In some cases, returning children home may be particularly difficult - especially where children are working abroad or are at risk of being sent out again to other work. In any case, enabling and supporting child workers' return to school should be the organisation's primary remedy unless or until repatriation to the family is an equal or better option.

## 2. Employment of Young Workers

SA8000 1.3 permits organisations to employ young workers under certain circumstances.

- a. Hours for Young Workers: Under SA8000 1.3, organisations must ensure that young workers' school, work, and transportation time do not exceed a combined total of 10 hours per day under any circumstances. Convention 33, Article 3C, limits the amount of work young workers can do to no more

than 2 hours daily on school days or holidays, and sets the total number of hours spent at school and on work to no more than 7 per day. SA8000 has additional provisions that apply to all young workers still subject to compulsory school laws. One sets a daily work limitation of no more than 8 hours. The result is that the 8 hour rule applies only to non-school and non-holiday days. SA8000 also imposes a “10-hour rule” as the total permitted number of hours spent at school and work, which also includes transportation time to and from school, work and home.

In addition, as noted by SA8000 1.3, organisations must ensure that young workers never work night hours. The standard permits the use of national labour codes to determine the definition of night hours, subject to ILO provisions if they are more stringent. Convention 33 states that night is “a period of at least 12 consecutive hours comprising the interval between 8 pm and 8 am.” ILO conventions do not permit young workers to work after nightfall.

In order to ensure that it is following these requirements, the organisation should maintain special schedules and duties for young workers.

### **3. Apprenticeship or on-the-job training programs**

Organisations must ensure that any such programs do not in any way abuse the rights of young workers. Young workers cannot be paid less than adults for the same type and amount of work. The organisation should maintain accurate payroll records to ensure that young workers receive equal pay for equal work. Any apprenticeship schemes should be for a defined period of time with structured oversight by, or registration with, a government agency, or by an alternative competent and credible authority where government registration and oversight is not required. In countries where local laws permit the payment of stipends or lower pay during an apprenticeship period or training program, the organisation must ensure that it meets the specific conditions of the law and has systems in place to ensure the protection of young workers’ rights. Apprenticeship schemes should not be used for extended periods of time to substitute for full-time work. The organisation therefore should routinely monitor young workers’ progress to ensure that the intended job skills are being acquired through the apprenticeship program.

### **4. Hazards for Young Workers**

SA8000 1.4 requires organisations to ensure that young workers are not exposed to any hazardous or unsafe conditions in and outside the workplace.

- a. Physical and Mental Health and Development: Organisations should not expose young workers, whether on site or off site, to any situation or activity that is hazardous or unsafe to the totality of their physical and mental health and development. This broader restriction requires the organisation to protect young workers at all times and never involve them in any activity or experience that could damage their health or mental and moral development. This language requires the organisation to ensure that young workers are only engaged in age-appropriate work, work sites and activities. Organisations are required to protect these workers’ moral and ethical needs, in addition to their physical and mental ones.
- b. In addition to the types of hazards at work listed under the section on health and safety (SA8000 3. Health and Safety) organisations must ensure that young workers, including those still below the legal school-leaving age of a state or locality (whether attending school or not), do not engage in the following hazardous activities: heavy lifting disproportionate to their size; operating heavy machinery; working the night shift; any exposure to toluene, lead or other toxic chemicals; manufacture of

weapons; contact with products which glorify violence and/or are pornographic; and any other activity which is likely to jeopardize the physical or mental health and development of young workers.

## AUDITOR GUIDANCE

Note: Certification body auditors conducting SA8000 audits are required to meet the requirements of SAAS Procedure 200:2015, [Audit Requirements for Accredited Certification Bodies for the SA8000 Program](#). This guidance is intended to provide support to auditors conducting SA8000 audits.

## KEY ISSUES TO CONSIDER

The following are examples of issues that auditors should consider when assessing the organisation's performance with regard to child labour. The guidance provided below is not exhaustive, nor is every item mandatory. Auditors should adapt and/or expand on this information according to the specifics of the organisation and the local context. Auditors should create a specific auditing strategy to investigate these and other identified issues for each organisation. Because child labour is such a critical issue, auditors should apply extra vigilance throughout the auditing process.

### 1. Types of Work Conducted by Young Workers:

When conducting audits, auditors should make efforts to determine the actual nature of different categories of work done by young workers, based on a clear understanding of hazardous, non-hazardous and light work.

- a. Hazardous work: Per ILO Conventions 138 and 182 and SA8000 requirements, 18 is the minimum age for eligibility to perform any type of hazardous work.<sup>4</sup>
- b. Non-hazardous: Young workers may engage in non-hazardous work under strict conditions to ensure that they are fully protected and receive adequate instruction, supervision, and vocational training in the relevant branch or activity.
- c. Light work: According to Convention 138, not all work undertaken is necessarily harmful. For instance, household chores and light work for training and educational purposes may benefit young people's development.<sup>5</sup> However, auditors must pay careful attention to the nature of any work this type of work to ensure that any workers are fully protected.

### 2. Hours of Work:

Auditors should assess the organisation's systems for monitoring the working hours of young workers. This includes a review of work schedules for these workers, and review of local school attendance records to ensure that the organisation is complying with the requirements regarding working hours and school attendance. Auditors should also review production schedules to check for hidden work (e.g. more production than would be feasible according to the documented hours worked).

### 3. Health and Safety of Children and Young Workers:

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<sup>4</sup> A guiding principle for defining hazardous work comes from Convention 182, Article 3.d: "work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children."

<sup>5</sup> Per Convention 138, article 7.1, light work refers to the work that is: 1) not likely to be harmful to a child's health or development; and 2) not such as to prejudice their attendance at school, their participation in vocational orientation or training programs approved by the competent authority or their capacity to benefit from the instruction received.

Auditors should conduct a thorough investigation to determine whether working conditions affect the young workers' health and safety in any way and whether they are exposed to any situations in or around the workplace that are hazardous, unsafe, or unhealthy. If required by law, young workers should be registered with or monitored by government labour ministry personnel. If the organisation employs young workers, even if it is part-time/light work or they are hired under apprenticeship arrangements, auditors should check that the organisation has guidelines in place for the types of employment conditions that are acceptable for workers under the age of 18. The auditors should also determine that organisation ensures they are kept away from dangerous equipment and that the conditions of work could not endanger their health. Young workers should be safeguarded immediately from dangerous equipment, toxic chemicals, and excessive working hours. Auditors should not only check for health and safety hazards in general, but they should also look for situations that, while safe for adults, may pose different or additional hazards for youth. For example, machinery sized for adults may strain or pose a hazard to a small body. Lifting heavy loads, working night shifts, or working excessive hours can harm a young person's health and affect his or her physical development.

#### **4. Other Risks for Young Workers**

In addition to health and safety risks, young workers, including those under apprenticeship arrangements, are also vulnerable to economic exploitation, such as long (illegal) overtime hours; subsistence (or no) wages; and/or remuneration below what adult workers earn for the same work. For example, auditors should assess the number of apprentices to ensure that they make up a low enough portion of the workforce to indicate that the organisation is not using apprentices to replace or avoid permanent adult hires. Auditors should look at these types of issues carefully and determine whether the organisation's policies and management procedures in this area meet local laws and regulations, and the SA8000 requirements.

#### **5. Involvement of Interested Parties**

Involving interested parties is an important strategy for auditors in identifying and addressing issues of child labour or young workers. Auditors should determine if the organisation cooperates with government, social service, and/or department of labour inspection agencies. Local unions and NGOs are also useful sources of information for auditors to identify this issue. Community interviews with teachers, social workers child welfare advocates, and even with the children's families are also useful for the auditor to understand how the organisation is addressing child labour risks.

## **DETECTION OF CHILD LABOUR**

Often it is not easy to know at the outset whether or not the organisation employs child or young workers, especially in the case of small subcontractor facilities, home work operations and in the agricultural sector where all family members participate in the work. Workers can appear younger or older than their actual age. Children may be present at the worksite, but may only be doing light work as mentioned above. Trade union representatives and other workers can be a good source of information for auditors, especially in identifying facilities where children were recently dismissed in anticipation of an audit.

Detection can be difficult, given the ease with which birth certificates and work permits can be falsified. Furthermore, in some remote areas, such documentation is not routinely issued. In cases where workers have identification cards with photographs, auditors should compare the worker with his/her photograph and any other identification available, such as residence permits, diplomas, school attendance records, certificates from doctors

or dentists, etc., for any possible discrepancy. In any case, under SA8000, the organisation is accountable for employing child workers, even if they used falsified identification to get the job. SA8000 requires evidence that the organisation has functioning management systems and ongoing procedures to prevent and remedy such situations.

Often, youth in Global South factories may look and dress younger than their counterparts in the industrialized world. In some countries, there are national charts, showing height and weight by gender, which auditors can use for reference. One of the most effective approaches to detect the use of child labour, however, is to conduct careful interview with young-looking workers and their peer workers, as detailed in the Worker Interview Strategy section below.

It is also helpful for auditors to review worker records from six months prior to the audit in order to determine if there are patterns of child or young workers having been dismissed in preparation for the audit. If an organisation has released workers under the working age during the previous six months, it is expected to make a good faith effort to recall the children and bring them into a remediation program until they are of legal age.

Another significant challenge is to determine whether the organisation contracts out production to home workers, and if so, to what extent. In many developing countries, it is common for children to do piecework at home or at other premises hidden from public view. As a consequence, these children may be subject to long working hours, minimal pay far below legal requirements, and little or no health and safety protection. Possible approaches to carrying out such investigations include but are not limited to: comparing production capacity to output and business orders; interviewing workers and management; consulting with government agencies, local trade unions, NGOs, and community groups (such as home-worker organisations); and, if possible, arranging interviews and meetings with the children working at home.

If child workers (and their parents) are not aware of remediation programs, they may believe it is in their own and their organisation's interest to conceal child labour from auditors. Therefore, it is important for auditors to consult with people who are well-connected and trusted in the community in order to avoid overlooking child labour. Because of the challenge in detecting child labour, audit teams that are conducting audits in industry sectors or countries where there is a recent history or a known prevalence of child labour should hire local NGO or community organisation representatives. Audit teams can use their support to ask families in the community about the ages of their children and whether they are regularly in school or work. They should also consult school teachers and local health clinics.

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## WORKER INTERVIEW STRATEGY

A key method for identifying the presence of child labour or young workers is through interviews with young workers, or workers who appear to be young. Due to the sensitivity of the issue, these interviews require a special approach. The guidance below is a recommended strategy for conducting such interviews. Auditors can refer to the strategy and adapt it to suit specific local conditions and cultural settings.

Auditors should be extremely careful in interviewing young workers, because they may have attitude, motivation, and psychological needs distinct from adult workers or non-working children. It will be helpful for the auditing team to include experts who understand children's development issues or consult local experts on a regular basis.

It is also important to keep in mind that it is the organisation, rather than the child, who is at fault if children are employed. Therefore auditors should never give the child the impression that he or she is under interrogation or investigation. Instead, the auditor should establish good rapport and make the child feel comfortable during the

interview in order to obtain better understanding of the situation. It is also important to conduct the interview in a place where the child will feel safe and comfortable, preferably away from the production line and the management. However, it should be kept in mind that if the interview is too long, the child might feel uneasy, fearing punishment by the management or even team workers. One good option is to conduct the interview during a lunch break. Throughout the interview, auditors should fully respect the child's right to speak or keep silent. In cases where children are found working, auditors should follow up in the short and medium term to verify that an adequate remediation plan is being followed.

Most children start working to support their family, so their family is usually their main concern. Auditors may break the ice by asking about their family (e.g. hometown, parents, siblings, etc.). In many developing countries, children may be expected to contribute to family income and many children take pride in doing so. However, this might not be the only reason a child is working, so auditors should collect as much information as possible to determine other contributing factors (e.g. forced labour, lack of access to education, etc.).

The main goal of the interview is to learn how child or young workers are treated by finding out what work they do, how many hours they work, during what times of day, their opinion of workplace conditions, how long they have been working there, and whether they have access to legally required schooling. During the interview, auditors should use open-ended questions to encourage the child's own assessment of working conditions. For instance, instead of simply asking: "Do you like working in this factory?" auditors may try different ways such as:

- a. How long have you been working here? What year did you start?
- b. How much longer do you want to stay here?
- c. How do you like people around you? Who is your best friend here?
- d. How often do you talk to your parents? How often do you see them?
- e. What do you usually do after work?
- f. What do you want to be when you grow up?
- g. Can you tell me about school? What's your favourite class?

Wherever young workers are employed, auditors should ask them about any training received and if/how they are supervised. Auditors should also interview their supervisors as well. Young workers are usually the group with the least amount of training in health and safety issues, and yet they are most vulnerable to workplace hazards. Therefore it is vitally important for auditors to assess their knowledge, training, and capability in this respect through the interview. Young workers are also vulnerable to other types of mistreatment, such as receiving lower wages than adult workers and longer working hours than allowable. They generally do not speak out even when they know that they are being underpaid. That is one of the major reasons some employers prefer young workers to adults. However, this presents a challenge for auditors who need to understand the real situation of these young workers. Therefore, the interview is a vital opportunity to uncover such issues.

## 2. FORCED OR COMPULSORY LABOUR

### RELEVANT SA8000 DEFINITIONS

1. **Forced or compulsory labour:** All work or service that a person has not offered to do voluntarily and is made to do under the threat of punishment or retaliation or that is demanded as a means of repayment of debt.
2. **Human trafficking:** The recruitment, transfer, harbouring or receipt of persons, by means of the use of threat, force, deception or other forms of coercion, for the purpose of exploitation.

### SA8000 REQUIREMENTS

- 2.1 The organisation shall not engage in or support the use of forced or compulsory labour, including prison labour, as defined in Convention 29, shall not retain original identification papers and shall not require personnel to pay 'deposits' to the organisation upon commencing employment.
- 2.2 Neither the organisation nor any entity supplying labour to the organisation shall withhold any part of any personnel's salary, benefits, property or documents in order to force such personnel to continue working for the organisation.
- 2.3 The organisation shall ensure that no employment fees or costs are borne in whole or in part by workers.
- 2.4 Personnel shall have the right to leave the workplace premises after completing the standard workday and be free to terminate their employment provided that they give reasonable notice to their organisation.
- 2.5 Neither the organisation nor any entity supplying labour to the organisation shall engage in or support human trafficking.

### BACKGROUND AND INTENT

#### BACKGROUND: RELEVANT INTERNATIONAL NORMS

Forced labour or compulsory labour is universally condemned, as evidenced by its prohibition in numerous international human rights instruments. The Universal Declaration of Human Rights, adopted in 1948, first proclaimed that "no-one shall be held in slavery or servitude" and the ILO has numerous conventions regarding forced or compulsory labour, including the following:

1. The Forced Labour Convention 29 (1930), which provides that national governments should take all necessary measures to prevent and suppress the use of forced or compulsory labour.
2. The Protection of Wage Convention 95 (1949), which provides that wages shall be paid regularly and as clarified by Convention 105, prohibits methods of payment which deprive workers of a genuine possibility of terminating their employment.
3. The Abolition of Forced Labour Convention 105 (1957), which requires national governments to take all necessary measures to prevent and suppress the use of forced or compulsory labour:
  - a. as a means of political coercion or education or as a punishment for holding or expressing political views or views ideologically opposed to the established political, social or economic system
  - b. as a method of mobilising and using labour for purposes of economic development
  - c. as a means of labour discipline
  - d. as a punishment for having participated in strikes
  - e. as a means of racial, social, national or religious discrimination
4. The Private Employment Agencies Convention 181 (1997), which protects workers recruited by private

employment agencies and stipulates that such agencies shall not “charge directly or indirectly, in whole or in part, any fees or costs to workers.”

The vast majority of ILO member states have ratified the two key conventions combating forced labour. As of January 2016, 175 countries ratified Convention 105, and 178 countries ratified Convention 29. These countries agreed to create new legislation or revise existing legislation to reflect the intent of ILO conventions and show governments’ commitment to eliminating forced labour in its numerous forms. Moreover, all member States are committed to respecting the forced labour principles by virtue of the 1998 Declaration on Fundamental Principles and Rights at Work, which is also endorsed by the UN Guiding Principles.

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## INTENT OF THE STANDARD

According to the ILO’s most recent estimates, 21 million people around the world are trapped in conditions of forced labour.<sup>6</sup> Forced or compulsory labour includes any labour exacted under threat of harm or penalty. This includes human trafficking, debt bondage (labour demanded as a means of payment of debt), and more subtle forms of forced labour that force workers to remain in their jobs against their will through other means of threat. As with child labour, poverty is a key driver of forced labour. In some regions, traditional cultural beliefs may perpetuate conditions of forced labour. However, this phenomenon is not limited to the Global South. In some industries and regions of developed countries, such as the United States and the United Kingdom, migrant workers can also become the victims of forced labour.

This requirement of SA8000 is intended to prohibit forced or compulsory labour of any type under any circumstance, including debt bondage, indentured servitude, human trafficking and compulsory prison labour. According to the ILO, other indicators of forced labour include vulnerability (e.g. through extreme poverty), deception (failure to deliver on oral promises), geographical isolation, physical or sexual violence, and abusive working conditions such as forced overtime. All of these are also prohibited by SA8000. SA8000 requires that every prospective worker be fully informed of the terms and conditions of the offered employment and voluntarily agree to them without facing any penalties. Under SA8000, the organisation is responsible for all workers on site, regardless of who is the direct wage payer. This is an important fact of which certification applicants and auditors need to be very aware.

The following are all prohibited under SA8000: monetary sanctions, physical punishment, withholding of working papers/passports, loss of rights or privileges and restrictions on movements. The most common of these is holding of papers, which occurs around the world—see “withholding documents” section below.

The explicit reference to human trafficking in the Standard is intended to raise awareness and to ensure that employers take active steps to ensure they have no association with any labour supplier or subcontractor that may be trafficking workers.

SA8000 2. Forced or Compulsory Labour is intended to ensure that workers are free to leave their employer. For example, they must be free to: 1) terminate their employment with the organisation upon the one condition that they give reasonable notice of their intention to leave their jobs; 2) leave the work site at the end of their routine, normally scheduled, workday; and 3) remove themselves from imminent danger. For example, workers should be free to leave the workplace and manage their own time while not on duty, without interference or intimidation from management or security guards. If someone chooses to quit their job, they should be free to do so, as long as

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<sup>6</sup> ILO, “Forced Labour, Human Trafficking and Slavery.” Available at <http://www.ILO.org/global/topics/forced-labour/lang--en/index.htm>.

they have fulfilled their obligations agreed to under a fair and transparent employment agreement. Typical employment contracts contain a clause allowing contract termination by either party with a specified number of days advance notification. Management must refrain from imposing any form of sanctions against such choice. Therefore, loan payments should be considered separately from the employment contract. This requirement is also intended to prohibit the organisation from taking or threatening to take any negative action on any of a workers' wage, benefit, property or documents to compel the workers' labour. The requirement should be interpreted broadly. Therefore, it includes not only actions with direct negative impacts, but also the withholding or reversal of any positive action by the organisation. For example, the organisation may not make job training or a promotion conditional on a worker's agreement to continue working for an extended period (explained further below); nor can the organisation make the hiring of a worker's spouse or relative contingent on the worker's committing to future work. Fundamentally, this requirement protects the voluntariness of workers' labour.

Debt bondage is a common form of forced or compulsory labour that occurs when workers (or their dependants or heirs) are tied to a particular creditor (e.g. private employment agency or employer) for a specified or unspecified period until a loan or debt is repaid. Under SA8000, there should be no linkage between workers' indebtedness and the terms and conditions of the intended employment. It is widely recognized that workers can become vulnerable to debt bondage (and therefore to forced or compulsory labour) during the recruitment process if they pay recruitment fees to private employment agencies or other entities in order to secure a position and/or to be transported to another country for work. The costs of securing a position in this manner can create a debt greater than workers can reasonably be expected to repay from their wages. This leads to debt bondage and forced labour. In order to protect workers from these practices, SA8000 prohibits the payment of any employment fees or costs that are borne in whole or in part by the worker; organisations are therefore responsible for paying any fees or costs associated with this process. There are also other circumstances that can lead to debt bondage, such as the provision of a loan by the organisation to its workers that workers are not able to repay promptly or within a reasonable amount of time, based on their earnings. All such practices are prohibited under SA8000.

## IMPLEMENTATION GUIDANCE

SA8000 requires organisations to implement an effective management system to manage social performance for Elements 1-8. Please refer to [Section 9](#) for detailed guidance on the management system requirements (SA8000 9. Management System). The components of an effective management system are:

1. *Policies, Procedures and Records*
2. *Social Performance Team*
3. *Identification and Assessment of Risks*
4. *Monitoring*
5. *Internal Involvement*
6. *Complaint Management and Resolution*
7. *External Verification and Stakeholder Engagement*
8. *Corrective and Preventive Actions*
9. *Training and Capacity Building*
10. *Management of Suppliers and Contractors*

*The organisation should develop a management system to effectively meet the SA8000 performance requirements for SA8000 2. Forced or Compulsory Labour.*

### **1. Freedom of Movement**

Organisations must ensure workers' freedom of movement. Workers must be able to leave their place of work at the end of a standard work day or shift (e.g. 8 hours). Workers are not to be forced to remain at the work premises to work overtime hours. This ensures that all overtime hours are voluntary.

Organisations may not lock workplace doors nor allow barriers to the free use of the exit doors of work premises. Workers cannot be locked into their workplace and must be able to leave if necessary (e.g. in case of danger or threat to their person). This frequently reported problem often involves such practices as locking the workplace door from the outside, or accumulation of work product, work materials or equipment in front of an exit door. In addition to the obvious safety threat this causes, it also denies workers the right to perform their work voluntarily. Workers must also have appropriate freedom to leave their workstation for specific purposes, such as a bathroom break, a hydration break or to access medical attention.

### **2. Withholding Documents**

The organisation should provide workers a secure place that they can freely access to keep their valuables and personal documents. The organisation cannot require workers to transfer their original identification papers to the organisation under any circumstances, even under claims that they are "protecting" the documents for the workers. Such documents may be passports, birth certificates, religious records of age, work or residence permits, travel documents or any other documents that may have legal impact on workers' legal status, freedom to travel or change jobs. Organisations may not hold workers' original identification documents by seeking workers' consent to any part of this prohibition. Similarly, organisations may not require or seek to influence workers to sign voluntary letters allowing the organisation to hold worker's original identification papers. Even if workers reportedly consent, such actions are prohibited under SA8000. Withholding workers' original identification documents and establishing a system to allow the worker to retrieve them quickly is nevertheless considered forced labour. The time needed to retrieve the documents is irrelevant, because workers are denied freedom of mobility if they must apply to their employer for access to their personal papers.

### **3. Debt Bondage**

As noted above, organisations are prohibited from engaging in any form of debt bondage. For this reason, organisations are prohibited from requiring workers to pay any employment fees or costs in whole or in part.

### **4. Private Employment Agencies**

Organisations should conduct due diligence of any entities that supply labour to make sure that they do not create circumstances that may make workers vulnerable to forced or compulsory labour. Organisations should ensure that such entities have effective policies and procedures to prevent workers from being charged fees or expenses to obtain employment. The organisation should also review the labour practices of directly subcontracted/purchased goods and services (for example, entities that supply materials, goods, transportation services, security services, cleaning services, or food preparation services).

### **5. Training**

Organisations and their workers may establish arrangements, preferably through collective agreements, in which the organisation pays for personnel to obtain training or an advanced educational degree on the condition that the worker work for the organisation for a certain number of years. This is not considered forced labour if both parties voluntarily agree to the terms, which must be in writing, signed and clearly

understood by the worker, and there are no conditions under which the worker would be forced to remain in employment with the organisation against his or her will. The funds expended by the organisation for training are similar to a loan; as with any loan, both the lender and the borrower incur risks in the undertaking. The risks to the worker cannot, however, result in any form of debt bondage, or forced or compulsory labour. This means that the worker can default on the loan, risking only what is reasonable to expect or is defined in the contract in terms of civil liabilities. The organisation is responsible for all costs for a worker's job-related training, so repayment of such costs is not a condition of a worker's departure from the organisation.

## 6. Resignation Letters

Organisations are prohibited from making workers sign advance resignation letters upon joining the organisation or commencing their employment. This practice is not acceptable under SA8000 because it forces the worker to sign a letter that they do not necessarily want to sign and in many cases could be interpreted as the worker waiving his or her rights to disciplinary processes, legal severance payments, unemployment benefits, and other aspects of fair employment.

If an organisation asks a resigning worker to continue work for an additional period to enable the organisation to find a replacement, the worker must have the ability to decline the request; the organisation cannot require or force the worker to work for a longer period. In some countries, it is common practice for a worker to give notice within a certain amount of time, for example, two weeks; this is normally part of previously voluntarily agreed-upon contract terms. If the organisation demands that a worker continue to work until a replacement for the position is found, regardless of the time required to locate a replacement, the organisation is not in compliance with SA8000.

The exact number of days required for the worker to give reasonable notice to terminate employment varies by state, locality, industry or other aspects of the employment. The time period required may also be stated in worker's contract or collective bargaining agreements. Providing the worker gives reasonable notice, then that worker should be able to leave on good terms with the employer. Under SA8000, the organisation cannot refuse to allow a worker to leave under any circumstances (for example, by withholding wages for past work or holding on to travel documents until the organisation has found a replacement).

## 7. Human Trafficking

The prohibition against trafficking is broad and total. The organisation and its suppliers cannot be part of any stage of trafficking. They cannot act as the recruiter, the transferor, intermediary, holder, or as the receiver of those who have been trafficked for the purposes of work. This covers the organisation's use of every type of provider of trafficked labour whatever they may be called, such as labour contractors or employment agents.

### AUDITOR GUIDANCE

Note: Certification body auditors conducting SA8000 audits are required to meet the requirements of SAAS Procedure 200:2015, [Audit Requirements for Accredited Certification Bodies for the SA8000 Program](#). This guidance is intended to provide support to auditors conducting SA8000 audits.

### KEY ISSUES TO CONSIDER

The following are examples of issues that auditors should consider when assessing the organisation's performance with regard to forced labour. The guidance provided below is not exhaustive, nor is every item mandatory. Auditors should adapt and/or expand on this information according to the specifics of the organisation and the local context. Auditors should create a specific auditing strategy to investigate these and other identified issues for each organisation.

### **1. Restrictions on Freedom of Movement**

Auditors should investigate whether personnel are restricted, coerced or intimidated in any way to remain at the worksite or in organisation dormitories. This includes physical restrictions on workers' freedom of movement, such as locking doors to the workplace or dormitory, or security guards who physically prevent workers from leaving a designated area. One way for auditors to investigate such violations is to check the security guards' contract terms against the actual service rendered. Security guards can be used to guarantee workplace security, but should in no way be used to intimidate workers or restrict their freedom of movement. Auditors should interview both guards and workers to verify the nature of the security guards' work.

### **2. Conditions of Debt Bondage**

Though less blatant than physical restrictions on movement, financial sanctions can also compromise workers' free choice and freedom of movement. For instance, deposits upon employment, the retention of any portion of monthly wages till the end of year or expiration of employment term, the withholding of legal papers or passports, or refusal to pay legally required severance can effectively deter workers from leaving the facility at will. This is a key reason for prohibiting organisations from requiring workers to pay any part of employment fees or costs. Auditors should confirm that these practices do not take place within the organisation.

In some parts of the world, it is common to require a newly hired worker to purchase a financial bond that will be returned to the worker upon termination of contracted employment. This is typically called "runaway insurance," because workers default if they leave without management's permission. This practice is not acceptable under SA8000, so auditors should confirm that organisations do not engage in this practice. Another practice related to debt bondage (as well as other aspects of forced or compulsory labour) that has received significant attention is the "Sumangali Scheme" in the Indian textile industry. Through this practice, young women are recruited to work for a specific period of time (typically three years), are not allowed to leave the organisation during that time, and only receive a lump sum payment at the end of the period. Such practices are also prohibited under SA8000 (Further guidance on Sumangali is found in SA8000 Consolidated Guidance – 2008 Standard).

### **3. Contractors**

Auditors should be aware that some employment relationships are obscured by the use of labour contractors or sub-contractors, especially when workers are paid by an employment agency or indebted to a third party recruitment agency. Although organisations might not use forced labour directly, they might still support its use by entering into business relationships with such labour suppliers, contractors, sub-contractors, or recruiters. For instance, the organisation might use temporary workers from a sub-contractor or contract out a portion of production to a facility where forms of forced labour might exist; or the organisation might have a contract with a private employment agency that charges fees to its workers for job placement. Notably, it is a serious violation of SA8000 and other core international labour standards if a factory orders goods or services from any organisation that uses prison labourers who are not properly

protected according to Convention 29, article 2.2.c. Auditors should investigate such practices and relationships during the audit. This is closely related to the auditor's review of the organisation's performance related to SA8000 9.10 Management of Suppliers and Contractors. Auditors should carefully review all available business orders, contracts, and personnel files (of directly contracted and subcontracted workers) to ensure that the organisation has appropriate policies and procedures to address, at a minimum, the practices of prime suppliers, contractors, and sub-contractors in this regard. Employment contracts, wage records, contracts between the organisation and recruitment agencies and all other relevant documents should be thoroughly checked, and evidence of compliance should be collected through interviews with workers, family members and local community groups, if appropriate. Additionally, through worker interviews and by checking with management and local community groups, auditors should ascertain how the organisation recruits its workers, where they come from and who helps find them. The organisation's workplace managers may not retain documents or give loans, but auditors should also review any recruitment or employment agencies involved.

#### **4. Migrant Workers**

Migrant workers are particularly vulnerable to forced labour in comparison to local workers. Migrants often lack the basic subsistence that a home can provide, as well the necessary language skills to navigate a new environment. They are less likely to be represented by a trade union or other workers' organisations, and they may be less aware of their basic rights and of how best to protect such rights. Many migrant workers may have gone into debt to obtain a job, and, as a consequence, they must work away from home under exploitative arrangements made by their creditors. Other migrant workers may have signed contracts with recruitment agencies before moving to the factories, without a clear understanding that the contracts might contain elements that compromise their rights and limit their freedom. Keeping such background in mind, whenever there is a large portion of migrant workers in the workforce, auditors should use due diligence to check through relevant documentation and conduct extensive interviews to ensure that no migrant worker is subject to any form of exploitation, coercion, or discrimination. (Please see also SA8000 Section 5 Discrimination).

#### **5. Overtime Working Hours**

Some organisations present voluntary letters as evidence of workers' consent to overtime working hours, but such letters do not suffice to demonstrate such consent under SA8000. Auditors should use worker interviews, stakeholder input and the existence of a functioning complaints system in order to verify the voluntary nature of workers' participation in overtime work or other activities related to the standard. Auditors should also include this topic in their interview(s) of the SA8000 worker representative(s).

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### **WORKER INTERVIEW STRATEGY**

The following is a recommended general strategy for conducting interviews with workers. Auditors can refer to this strategy and adapt it to suit specific local conditions and cultural settings.

As mentioned in other areas of the Guidance, many organisations not directly using forced labour might still support the use of it in other ways, such as hiring temporary workers through subcontractors to work on their premises, contracting out their production, imposing overtime work upon workers without seeking their consent, or limiting workers' freedom of movement after work. The purpose of conducting interviews with workers therefore is not only to learn if there is forced labour on a particular worksite at a particular time, but also to determine whether any labour practice at the facility is non-voluntary by nature.

Before visiting the facility, it is highly recommended that auditors consult extensively with local trade unions, NGOs, and community groups about the general labour situation in an industry or in a particular facility. If forced or any form of compulsory labour is a concern, auditors should prioritize this issue when planning the interviews with workers.

A transparent and fair employment contract is an indicator of a good labour management system. Auditors can ask about interviewees' knowledge and understanding of the employment contract, particularly under what terms and conditions workers can terminate the contract before the expiration date.

Auditors can also inquire into the worker's hiring process. If workers used recruitment agents, auditors should ascertain if they paid high service fees (e.g. for recruitment or transport, document processing). Note, workers should not pay any fees to a private employment agency, in whole or in part. Auditors should also ascertain if workers have any "shadow agreements," pending debts or a hidden contract that defines conditions of employment of the worker, with the recruitment agencies outside of the formal employment contract that might state a minimum employment term. When appropriate, auditors can ask and verify if the originals of major identification papers are in the workers' possession.

It may also be useful to ask interviewees if they are paid directly, or through their family members or any other entities; if they can explain the deductions taken out of their wages; and if full payment is made on time to understand if workers are subjected to any form of debt bondage.

Auditors should carefully review any practices employed by the facility or by agencies contracted by the facility that may indicate financial coercion of workers. These may include deposits paid by workers upon hire, recruitment service fees, or unfair loan, credit, or purchasing schemes managed directly or indirectly by the organisation that might deprive workers of financial freedom.

Related methods of financial intimidation indicating forced labour may include the retention by employers of a portion of monthly wages until the end of year or the expiration of employment, or refusal to pay legally required severance. These practices effectively prevent workers from leaving the facility of their own will. Particular attention must be given when young workers are found, since they tend to be more vulnerable to bonded labour. They may even have been 'sold' to the organisation by their own family due to conditions of poverty.

Some factories require workers to pay for their initial training since workers are often recruited from another factory for slightly higher pay after they are trained. Some organisations may even require workers to pay for expensive equipment because of the potential for theft. These practices are typically not allowed and the auditor should analyse such a practice to determine its degree of reasonableness by balancing the needs of the business with the inherent rights of the workers against abuse.

### 3. HEALTH AND SAFETY

#### RELEVANT SA8000 DEFINITIONS

1. **Risk Assessment:** A process to identify the health, safety and labour policies and practices of the organisation and to prioritise associated risks.

#### SA8000 REQUIREMENTS

- 3.1 The organisation shall provide a safe and healthy workplace environment and shall take effective steps to prevent potential health and safety incidents and occupational injury or illness arising out of, associated with or occurring in the course of work. It shall minimise or eliminate, so far as is reasonably practicable, the causes of all hazards in the workplace environment, based upon the prevailing safety and health knowledge of the industry sector and of any specific hazards.
- 3.2 The organisation shall assess all the workplace risks to new, expectant and nursing mothers including those arising out of their work activity, to ensure that all reasonable steps are taken to remove or reduce any risks to their health and safety.
- 3.3 Where hazards remain after effective minimisation or elimination of the causes of all hazards in the workplace environment, the organisation shall provide personnel with appropriate personal protective equipment as needed at its own expense. In the event of a work-related injury the organisation *shall* provide first aid and assist the worker in obtaining follow-up medical treatment.
- 3.4 The organisation shall appoint a senior management representative to be responsible for ensuring a safe and healthy workplace environment for all personnel and for implementing this Standard's Health and Safety requirements.
- 3.5 A Health and Safety Committee, comprised of a well-balanced group of management representatives and workers, shall be established and maintained. Unless otherwise specified by law, at least one worker member(s) on the Committee shall be by recognised trade union(s) representative(s), if they choose to serve. In cases where the union(s) does not appoint a representative or the organisation is not unionised, workers shall appoint a representative(s) as they deem appropriate. Its decisions shall be effectively communicated to all personnel. The Committee shall be trained and retrained periodically in order to be competently committed to continually improving the health and safety conditions in the workplace. It shall conduct formal, periodic occupational health and safety risk assessments to identify and then address current and potential health and safety hazards. Records of these assessments and corrective and preventive actions taken shall be kept.
- 3.6 The change number to personnel, on a regular basis, effective health and safety training, including on-site training and, where needed, job-specific training. Such training *shall* also be repeated for new and reassigned personnel, where incidents have occurred, and when changes in technology and/or the introduction of new machinery present new risks to the health and safety of personnel.
- 3.7 The organisation shall establish documented procedures to detect, prevent, minimise, eliminate or otherwise respond to potential risks to the health and safety of personnel. The organisation shall maintain written records of all health and safety incidents that occur in the workplace and in all residences and property provided by the organisation, whether it owns, leases or contracts the residences or property from a service provider.
- 3.8 The organisation shall provide, for use by all personnel, free access to: clean toilet facilities, potable water, suitable spaces for meal breaks, and, where applicable, sanitary facilities for food storage.

3.9 The organisation shall ensure that any dormitory facilities provided for personnel are clean, safe and meet their basic needs, whether it owns, leases or contracts the dormitories from a service provider.

3.10 All personnel shall have the right to remove themselves from imminent serious danger without seeking permission from the organisation.

## BACKGROUND AND INTENT

### BACKGROUND: RELEVANT INTERNATIONAL NORMS

Approximately 70 ILO Conventions and Recommendations address safety and health issues.<sup>7</sup> The following are some of the ILO standards that are relevant to SA8000 implementation and auditing.

1. The Occupational Safety and Health Convention 155 (1981) and its accompanying Recommendation 164 outline the requirements for national OSH policies and the progressive application of preventive measures. The Convention and Recommendation also establish employers' responsibility to provide a safe and healthy work environment.
2. The Occupational Health Services Convention 161 (1985) and its accompanying Recommendation 171 call for government establishment of occupational health services responsible for advising employers, workers and their representatives on maintaining a safe and healthy working environment through preventive measures. The Convention and Recommendation emphasize the importance of clear responsibilities within an organisation, best use of organisation resources, and cooperation between employers and workers.
3. The Convention Concerning Safety in the Use of Chemicals at Work 170 (1990) and its accompanying Recommendation 177 aim to protect workers against the health and safety impacts of chemical use in the workplace. The standard emphasizes the roles and responsibilities of authorities, suppliers and employers, as well as the duties and rights of workers in the safe handling, storage and use of chemicals.
4. The Prevention of Major Industrial Accidents Convention 174 (1993) and its accompanying Recommendation 181 seek to protect workers, the public and the environment from major industrial accidents. The Convention and Recommendation focus on the prevention and minimization of harm caused by major accidents involving hazardous substances.
5. A number of ILO standards deal with specific toxins and agents, such as the Asbestos Convention 162 (1986) and its accompanying Recommendation 172; White Lead (Painting) Convention 13 (1921); Radiation Protection Convention 115 (1960) and Recommendation 114; and Benzene Convention 136 (1971) and Recommendation 144 (1971).
6. Other ILO standards deal with specific risks or groups of people such as Occupational Cancer Convention 139 (1974) and Recommendation 147; Guarding of Machinery Convention 119 (1963) and Recommendation 118; Maximum Weight Convention 127 (1967) and Recommendation 128; Maternity Protection Convention (Revised) 183 (2000) and Recommendation 191; Medical Examination of Young Persons (Industry) Convention 77 (1946).

In addition to the ILO Conventions, all relevant regional, national, provincial and municipal legislation and regulations must be recognised and satisfied. Many authorities (regional, national, state and local) have departments to promulgate and oversee health and safety matters. Lastly, industry or sector standards, codes-of-

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<sup>7</sup>Further guidance on specific issues and industries are provided in the ILO codes of practice, manuals and programs such as the ILO Programme on Safety and Health at Work and the Environment (Safe Work): <http://www.ILO.org/safework>.

conduct and customer-specific requirements must also be effectively addressed whenever they are applicable to a particular organisation. Regulations, standards and guidelines published by interested parties typically specify detailed requirements to be met, but can also provide useful guidance and resources to assist in meeting those requirements.

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## INTENT OF THE STANDARD

Over recent decades, the level and sophistication of the attention given to health and safety issues has increased significantly. Science, technology and communication advances have improved understanding of workplace hazards and their causes and effects, while horrific workplace disasters, such as the collapse in Rana Plaza in Bangladesh, have drawn attention to human cost of ineffective implementation of health and safety standards.

At the international, national and local levels, enhanced administrative and legislative frameworks have been developed to lay out the roles, responsibilities and rights of authorities, employers and workers. At the enterprise level there is increased recognition of the obligation to provide a safe and healthy working environment. Such recognition has been driven not only by employers' increasing awareness of their moral responsibility, but also by external pressures such as activist, shareholder and trade union actions, customer pressure, insurance cost containment and the imposition of tougher legal penalties for non-compliance. Initially perceived as an imposition, many employers have discovered that a planned approach to reducing accidents and injuries in the workplace delivers significant benefits in the form cost savings, efficiency gains and personnel retention. Unfortunately, some employers remain unaware of hazards in their workplaces, while others could significantly improve their health and safety performance.

SA8000 3. Health and Safety is intended to protect workers from exposure to short-term and long-term risks at work and reduce workplace injuries and illnesses. It promotes improved health and safety measures by requiring organisations to adopt a holistic management systems approach to identify, control and minimize workplace hazards. Some requirements clarify and amplify the role of the organisation in managing workplace health and safety – in particular, specific requirements call for the appointment of a responsible senior management representative and the establishment of a Health and Safety Committee, outlining the principal management and oversight responsibilities and duties of each. Other requirements specify measures to be implemented to address known common workplace hazards/risks – such as access to potable water and risks to expectant and nursing mothers. Collectively, the requirements promote awareness of, and demand appropriate responses to, identified workplace hazards throughout all levels of the organisation, thus eliminating or reducing exposure and associated risks.

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## IMPLEMENTATION GUIDANCE

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### 3.0 GENERAL (INTRODUCTION TO HEALTH AND SAFETY MANAGEMENT SYSTEMS)

SA8000 requires organisations to implement an effective management system to manage social performance for Elements 1-8. Please refer to [Section 9](#) for detailed guidance on the management system requirements (SA8000 9. Management System). The components of an effective management system are:

1. *Policies, Procedures and Records*
2. *Social Performance Team*
3. *Identification and Assessment of Risks*
4. *Monitoring*

5. *Internal Involvement*
6. *Complaint Management and Resolution*
7. *External Verification and Stakeholder Engagement*
8. *Corrective and Preventive Actions*
9. *Training and Capacity Building*
10. *Management of Suppliers and Contractors*

*The organisation should develop a management system to effectively meet the SA8000 performance requirements for SA8000 3. Health and Safety.*

Additionally and more specifically, organisations should incorporate the following health and safety management system principles in a manner pertinent to the organisation's type, its workforce and its suppliers/subcontractors:

#### A) IDENTIFICATION OF POTENTIAL RISKS

A key first step for the developing a strong health and safety management system is to conduct a thorough risk assessment and hazard identification process of the complete organisation, including production lines, canteen and dormitory (3.2, 9.3). The results of the risk assessment provides the foundation for all aspects of the organisation's health and safety management system and contributes to the organisation's overall performance.

#### B) APPROPRIATE POLICIES AND PROCEDURES

Based on that risk assessment, the organisation should develop health and safety policies and procedures (9.1.4 and 9.1.5) to set a clear direction for the organisation to follow. When based upon pertinent hazards and risks, policies and procedures provide the framework for the organisation's commitment to maintain a safe and healthy workplace and to drive continual improvement (9.1.7).

#### C) MANAGEMENT COMMITMENT

The organisation should establish effective management leadership, structure and procedures (3.4, 3.5, 9.1.4, 9.1.5 and 9.2) to implement the health and safety management system. Management should foster a positive health and safety culture through visible and active leadership by senior management. Management should also ensure that all personnel are competent, motivated, trained, and empowered to work safely and to protect their long-term health, not simply to avoid accidents. This aspect of the management system should be supported by effective personnel involvement (9.5) and sustained by effective communication (9.1.5) and competence development (9.9) allowing all workers and their representatives to make responsible and informed contributions to the organisation's health and safety management system (3.5, 9.2, and 9.6).

#### D) EFFECTIVE IMPLEMENTATION OF ACTIONS

As noted in SA8000 3.1, the organisation should identify, plan and implement specific actions to promote a positive health and safety workplace based upon risk assessment results. Wherever possible, identified risks should be eliminated; if risks cannot be eliminated, they should be minimized through the use of appropriate operational control measures or, as a last resort, through systems of work and personal protective equipment. Policies, procedures, process controls (3.7) and performance standards should be established to communicate (9.1.4, 9.1.5) appropriate operational controls, safe working practices and to measure achievement.

## E) PERFORMANCE MONITORING, MEASUREMENT, FEEDBACK AND IMPROVEMENT

The organisation should monitor and measure short and long-term health and safety performance indicators (9.4.1). The organisation's results should then be assessed against both internal requirements and applicable external requirements to provide management with information indicating how effectively health and safety management system and controls are functioning and where improvements are needed. Monitoring may be qualitative or quantitative, as appropriate, and should consider both hardware (premises, plant and substances) and software (people, procedures and systems). The organisation is required to implement appropriate preventive or corrective actions (9.4.2 and 9.8) when incidents or illnesses occur or where the management system fails to achieve the anticipated results. Information gathered through monitoring and measurement activities should be used initially to establish the organisation's health and safety performance baseline and subsequently reviewed by management (9.1.7) to provide focus and evaluate if there is continual improvement over time.

## F) ADEQUATE EVIDENCE TO DEMONSTRATE THAT THE ORGANISATION'S POLICIES AND PROCEDURES ARE EFFECTIVELY IMPLEMENTED

To meet SA8000 requirements, the organisation needs to demonstrate that it meets its SA8000 and health and safety policy commitments and satisfies the health and safety expectations of external interested parties (such as regulators, auditors and insurance providers). To do so, the organisation needs to be able to provide evidence (records, demonstrated worker understanding and physical evidence, as appropriate). Similar evidence is needed to demonstrate effective planning for, and achievement of, continual improvement of health and safety performance (3.5, 3.7, 9.1.6 and 9.1.7).<sup>8</sup>

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### 3.1 SAFE AND HEALTHY WORKPLACE ENVIRONMENT

SA8000 3.1 requires the development, implementation and continuous improvement of health and safety practices, including hazard identification and elimination/minimization in all areas under its control. The term 'hazard' is defined by the ILO as "the inherent potential to cause injury or damage to peoples' health."<sup>9</sup> For example, hazards associated with the use of chemicals or machinery may result in ill-health or injury respectively. The organisation should regularly evaluate the workplace environment to identify hazards, particularly at times of changes to equipment, materials, working processes, personnel etc. Based on an ongoing analysis of workplace hazards and risk assessments (3.5), a well-planned health and safety management system actively promotes the elimination or reduction of workplace hazards. One widely utilized method for addressing risks is the hierarchy of controls, as explained below:

1. Eliminate the risk if possible (e.g. by redesigning processes to eliminate the use of a hazardous chemical or substituting a less hazardous chemical)
2. Minimize the impact of the risk (e.g. enclose the area where the chemical is used or use Personal Protective Equipment (PPE))

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<sup>8</sup> Further guidance on the management system necessary to control health and safety within the organisation can be found in OHSAS 18002 and the ILO-OSH:2001 Guidelines on Occupational Safety and Health Management Systems. (However, it is important to note that due to the variability of OHSAS 18001 and ISO14001 Certification around the world, certification to those standards does not necessarily indicate compliance with SA8000:2014.)

<sup>9</sup> ILO, "Safety and health in the use of machinery." Available at: [http://www.ilo.org/wcmsp5/groups/public/@ed\\_protect/@protrav/@safework/documents/normativeinstrument/wcms\\_164653.pdf](http://www.ilo.org/wcmsp5/groups/public/@ed_protect/@protrav/@safework/documents/normativeinstrument/wcms_164653.pdf)

3. Mitigate any impacts of the risk (e.g. train personnel on spill control, first aid and emergency procedures in case of accidents and incidents involving hazardous substances.)

Organisations with mature and effective health and safety management systems typically develop and implement appropriate procedures for hazard identification and risk assessment on a regular basis and when there are changes to the organisation's operations or circumstances that may impact the hazard identification and risk assessment (e.g. new equipment or materials). It is important to note that in order to be effective, hazard identification and risk assessment should be ongoing and dynamic process, not a one-time activity.

The organisation should generate records (SA8000 9.1.6) that include the results of identification and evaluation activities, including an updated list of hazards and their associated risks. Subsequently, the organisation should demonstrate that appropriate elimination/minimization control measures are implemented and communicated to affected personnel.

### WHAT ARE "EFFECTIVE STEPS"?

In conjunction with the overarching requirements of SA8000 9. Management System, the term 'effective steps' in SA8000 3.1 strongly implies the introduction of a formalized health and safety management system, commensurate with the size, nature and risks of the organisation. A focal point for any management system, the policy or policies establish broad direction and goals for the organisation and provide benchmarks against which leadership, commitment and organisational performance may be evaluated. Health and safety policies should also provide a framework for decision-making within the organisation's health and safety management systems and be developed and promulgated to take precedence over more narrow operational requirements. Effective steps also includes the actions that the organisation takes to reduce workplace hazards, as outlined in the policies and procedures. The organisation should conduct root cause analysis to ensure that the actions taken systematically address underlying issues, and not just superficial problems.

It is important to note the links between the health and safety requirements of SA8000 and other requirements, such as those related to working hours. Health and safety incidents are more prevalent when workers work long hours and overtime, or when written or oral communication, instructions, training, protection and monitoring are insufficient. Exhaustion and lack of concentration are significant contributing factors to accidents. As a result, accidents and injuries are especially prevalent during peak seasons, when overtime is common. Long hours leading to exhaustion also reduce workers' immune resistance to illness and ability to cope with external stress, increasing their susceptibility to illness and reducing their ability to recover from physical accidents or exposure to chemical substances. Health and safety culture is placed at risk when production demands lead to a fast pace and health and safety policies are neglected or not enforced. Such risks are fundamentally the responsibility of the management. Some practices that may indicate management failures that impact health and safety include: unrealistic production planning timelines; work scheduling that fails to account for fatigue; inadequate resources allocated to training and safety drills; organisational restructuring that places individuals in positions for which they have insufficient experience; neglect of hazards that are not under the direct control of the organisation (e.g. armed security personnel, kitchen facilities).

### MONITORING OF WORKPLACE HEALTH AND SAFETY

Workplace monitoring is important and should occur regularly. Monitoring may take the form of inspections and should typically occur at least once a month. High-risk industries and workplaces subject to frequent change may need more frequent inspections. Health and safety inspections can take various forms, including: regular inspections

of workplace, regular inspections of particular activities, specific inspections arising from complains/concerns, inspections before and after substantial change to the workplace, inspections after an incident/injury. An organization also needs to conduct full safety audits that review the health and safety management system.

## EMERGENCY PREPAREDNESS AND RESPONSE PLANNING

A critical element of a safe and healthy workplace environment is an effective emergency preparedness and response plan. The planning process should include the health and safety committee members, additional personnel as needed and representation from senior management. The list below includes the key steps of developing a plan, and some key indicators of an effective plan. (Note: this list is non-exhaustive and non-mandatory.):

1. Review of outputs from the organisation's documented hazard identification, emergency preparedness and response, health and safety risk assessment. In addition to the basic health and safety risk assessment for a specific site, the risk assessment process should also include geographic risks and threats, including seismic activities, flood, landslide, etc. Mitigation measures should be based upon the likelihood of threat and potential scale of impact.
2. As a result of the hazard analysis and risk assessment process, the organisation should develop an emergency preparedness and response plan. The plan should take into account actions by all personnel related to fire and/or other emergencies (manmade and/or natural disasters), and include clear definition of responsible persons to prevent, reduce and address any such emergency event.
3. The organisation should formally designate competent individuals to implement the plan.
4. Indicators/evidence of implementation of an effective risk assessment and emergency preparedness and response plan should generally include the following:
  - a. Prevention: A system of precautions to prevent ignition of fires from sources of heat, open flames, electrical sparking, hot surfaces, welding, smoking, heat or sparks. This includes:
    - i. Removal and decontamination of uncontrolled combustible material through adequate housekeeping
    - ii. Safe storage and handling of hazardous material. Flammable and hazardous materials properly stocked and kept away from ignition sources
    - iii. Safe electrical wiring
    - iv. Gas sensors around gas-using and processing equipment
    - v. Clean workplaces (free from dirt, dust, etc.)
  - b. Early warning system: A fully operational early warning and evacuation alarm that can be heard and/or seen throughout the workplace and the entire building (including areas that may be occupied by another organisation). The alarms should be regularly tested and maintained with a backup power system to ensure that they are always fully operational. The number of alarms should, at minimum, meet legal requirements.
  - c. Firefighting System: The organisation should also have fully operational firefighting equipment in place at all times. The number and type of firefighting equipment should meet legal requirements at a minimum. Personnel should be trained on the basic use of fire extinguishers, and emergency responders should receive advanced training to use all fire equipment. Other elements of the system include:
    - i. Adequate connected and pressurized water supply for fire hydrant system and any sprinkler system on the premises.

- ii. Proper access for fire department vehicles.
- iii. Adequate number and type of firefighting equipment and portable fire extinguishers. These should be well-maintained, unobstructed, clearly marked, accessible and easy to use.
- iv. Fire extinguishers should be appropriate for the class of fire and ignition source at each's respective location.
- v. Emergency lights
- d. Maintenance system: A system to regularly inspect, test and maintain all early warning alarms and firefighting equipment.
- e. Evacuation System: This includes emergency exits and exit doors, evacuation routes, and assembly points.
  - i. Emergency exits and exit doors: There should be a sufficient number of emergency exits for the building structure and number of other personnel on site at any given time. Exterior doors and doors to exit hallways and staircases should all open in the direction of travel and be readily opened from the inside by any worker without the use of keys or tools. For example, doors should have proper push-bars that can be bumped against to open easily. Other types of doors, such as vertical sliding doors, are allowed only if they are tested and maintained on an annual basis to ensure safe evacuation during emergencies. Doors should be checked and maintained to ensure they operate effectively at all times.
  - ii. Evacuation routes: Routes should be clearly marked, continuously unobstructed and well-lit with emergency lighting with backup power.
  - iii. Assembly points: The organization should have one or more designated and marked external assembly points in an area safely away from the company premises where fire operations might occur. The emergency exits should lead to open areas and pathways to enable all personnel to go to the assembly points, and there should be clear signs to the area. The emergency assembly area should be of sufficient size to accommodate the full number of personnel who may be on site at any given time. Finally, the assembly point should be far enough away from firefighting operations so that it is always safe in emergency situations. It should not be in a location that might trap the workers from rescue, such as the back of a compound. Finally, it should also take account of and positively manage other risks (e.g. crossing a road).

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### 3.2 NEW, EXPECTANT AND NURSING MOTHERS

As part of the organisation's overall risk assessment (SA800 3.5), SA8000 3.2 requires that the organisation specifically assesses the risks to new mothers (generally understood to be a woman who has given birth to or adopted a child within the past six months), expectant mothers (a woman who is pregnant) and nursing mothers (a woman who is breastfeeding her child) arising out of their work activity and take all reasonable steps to remove or reduce these risks.

This requirement cannot be used as justification for the organisation to conduct pregnancy testing. SA8000 5.4 Discrimination makes it clear that the organisation cannot discriminate based on pregnancy.

The organisation meeting SA8000 requirements should be able to readily demonstrate that due consideration is being given to such risks and that operational controls adequately protect the health and safety of new, expectant and nursing mothers

### WHY THE FOCUS ON EXPECTANT AND NURSING MOTHERS?

Expectant and nursing mothers may be less able to do heavy lifting or remain standing for long periods of time and exposure to certain chemicals may be more dangerous to the foetus or the breast-fed baby than for adult workers. Thus, in addition to general health and safety hazard analysis, the organisation should complete an on-going risk assessment for new, expectant and nursing mothers and to minimize risks particular to them in order to remove and reduce workplace and job risks to these women. . The organisation should communicate the results of the assessment to personnel. Finally, the organisation must not discriminate against new, nursing and expectant mothers. As noted above, this prohibits discriminatory pregnancy testing and the firing or demotion of new, nursing and expectant mothers. The organisation should comply with all national maternity laws when assessing all employment and workplace risks and providing facilities to new, nursing and expectant mothers.

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### 3.3 PERSONAL PROTECTIVE EQUIPMENT (PPE) AND FIRST AID

Personal Protective Equipment (PPE) is gear worn by workers in order to limit exposure to hazardous situations. PPE may include, but is not limited to: safety goggles, hardhats, high-visibility clothing, gloves, earplugs, hairnets, safety boots, safety harnesses, respiratory equipment, and hazmat suits. SA8000 PPE requirements reflect the universally accepted principal that the use of personal protective equipment (PPE) is a last resort rather than a first response. Therefore, the organisation should rely on PPE controls only after effective health and safety hazard elimination and minimisation efforts have been exhausted, or as an additional control measure when other controls have been applied. This reflects the Standard's emphasis on preventive, remedial and continuing monitoring and responding activities.

Wherever possible, organisations should develop products and processes that eliminate or reduce workplace hazards and risks to the lowest reasonably practicable level. For example, the substitution of alternative, less volatile, less flammable or less toxic substances (such as glues, paints and solvents) can make a workplace significantly safer. Similarly, well-maintained machinery and equipment used in conjunction with appropriate operational controls can prevent unnecessary injuries.

Where hazard and risk elimination or reduction at source is not feasible, engineering solutions and work practices should be used to reduce exposure to workplace hazards. For example, significant risks to workers can be eliminated by mechanizing activities such as dipping components in toxic solvents or cutting material with sharp tools. If hazards remain after the application of prevention and control measures, the use of personal protective equipment should be considered as supplementary safety measure.

In order to ensure PPE effectiveness, organisations should have a clear PPE program in place. The program should address the hazards present in the workplace; the selection, maintenance, and use of PPE; the training of workers; and monitoring of the program to ensure its ongoing effectiveness. Components of such a program may include:

- Assessment and selection of PPE before use to make sure it is fit for purpose the task/hazards involved and designed for worker comfort
- Instructions for personnel on how to use it safely
- Maintenance and storage of PPE according to manufacturers' instructions

- Regular monitoring of personnel to ensure that PPE is being used correctly
- Signage displayed in the area(s) where personnel is required to wear PPE.

When selecting PPE, the organisation should choose equipment that best suits its personnel and their protection needs wearer and conditions. It should consider the size, fit and weight of the PPE and the potential impact upon the wearer. For example, if equipment is very heavy, or wearers have pre-existing health issues, standard PPE may not be suitable. If the relevant personnel participates in the PPE selection process, they will be more likely to use it. The organisation should use only quality products, such as those that have been tested and certified by a credible independent body.

Below is a list of the types of PPE that the organisation might use to protect different parts of the bodies from certain hazards. As noted above, this list is non-exhaustive and is provided to give useful guidance for organisations seeking to implement this requirement of the Standard. Organisations should select appropriate PPE based on its risk assessment and the needs of its personnel.

- **EYES**

- **Hazards:** Chemical or metal splash, dust, projectiles, gas and vapour, radiation
- **Options:** Safety spectacles, goggles, face-shields, visors
- **Note:** Eye protection should have appropriate combination of impact/dust/splash/molten metal eye protection for the task and fit the user properly

- **HEAD**

- **Hazards:** Impact from falling or flying objects, bumping head, hair entanglement.
- **Options:** Helmets, hard hats
- **Note:** Some safety helmets incorporate or can be fitted with specially-designed eye or hearing protection. Workers should also use neck protection if necessary (e.g. scarves for use during welding).

- **RESPIRATORY SYSTEM**

- **Hazards:** Dust, vapour, gas, oxygen-deficient atmospheres
- **Options:** Disposable filtering face-piece or respirator, half- or full-face respirators, air-fed helmets, breathing apparatus
- **Note:** Ensure that the correct type of respirator filter for the substance is used

- **HANDS AND ARMS**

- **Hazards:** Abrasion, temperature extremes, cuts and punctures, impact, chemicals, electric shock, skin infection, disease, contamination
- **Options:** Gloves, gauntlets, mitts, wrist-cuffs, armlets
- **Note:** Ensure that the type and size of glove is appropriate. Wearing gloves for long periods can make the skin hot and sweaty, which can lead to skin problems, so it may be useful to wear separate cotton inner gloves

- **FEET AND LEGS**

- **Hazards:** Electrostatic build-up, slipping, cuts and punctures, falling objects, metal and chemical splash, abrasion
- **Options:** Safety boots and shoes with protective toe caps and penetration-resistant mid-sole, gaiters, leggings, spats
- **Note:** Footwear can have a variety of sole patterns and materials to help prevent slips in different conditions, including oil or chemical-resistant soles. It can also be anti-static, electrically conductive or thermally insulating. It is important that the appropriate footwear is selected for the risks identified. It is also important to note that although footwear may have protective value, it is not always culturally appropriate for it to be worn inside the workplace. In such circumstances, the organisation should consider the risks through its risk assessment and ensure that it provides alternative forms of protection against risks to the feet.

- **BODY**

- **Hazards:** Temperature extremes, adverse weather, chemical or metal splash, spray from pressure leaks or spray guns, impact or penetration, contaminated dust, excessive wear or entanglement of own clothing
- **Options:** Conventional or disposable overalls, boiler suits, specialist protective clothing (e.g. chain-mail aprons, high-visibility clothing), safety harness, life jackets
- **Note:** Appropriate materials should be chosen to address the hazard (e.g. flame-retardant, anti-static, chain mail, chemically impermeable, or high-visibility).

## FIRST AID

First aid is the effective, often life sustaining, aid given to a casualty until professional aid can be reached. SA8000 requires that organisations provide first aid and assistance in obtaining follow-up medical treatment. The organisation should fully understand and follow all legal or regulatory requirements regarding first aid materials and waste management, first aid facilities, trained personnel, workers' treatment and rehabilitation insurance and follow-up care. The organisation should also define its first aid emergency procedures and effectively manage appropriate first aid resources, including trained personnel, equipment and materials. Health and safety representatives and on-site first aid staff need to have clear knowledge of where to seek external medical aid in the case of an emergency. It is important to note that it is crucial for the organisation to have properly trained, competent first aid personnel who can save and sustain life with immediate competent action until professional assistance arrives (e.g. choking, stroke, burns, heat stroke, heart attack, drowning and other forms of asphyxiation).

Workers injured in workplace accidents or suffering from work-related diseases often lose their jobs and the working capacity to seek another job. It is therefore important that in the event of an accident or work related injury or illness, the organisation does not only provide first aid assistance, but, where necessary, also assists workers in obtaining follow-up medical treatment.

First aid equipment and materials appropriate to the nature of workplace hazards should be provided in a location close to work areas where injuries may occur. The nature and number of resources required depends upon whether the workplace is low hazard (such as a bank or office) or high-hazard (where there is a possibility of serious injury requiring immediate medical attention, such as electric shock, amputation, fracture, eye injury etc.), and should be determined through the risk assessment. The resources also need to meet applicable standards and regulations and be commensurate with the nature of the workplace; specific hazards present; the distance to

ambulance services, hospitals, medical centres; and the potential response times of external medical specialists. Generally, the organization should have sufficient and readily accessible first aid kits (in a sanitary condition, regularly inspected and replenished); stretchers, wheelchairs and other evacuation equipment; a first aid room; a cardiac defibrillator. The organisation should also ensure that it has sufficient trained first aid responders for its workforce. First aid responders should be adequately trained and retrained to respond to the types of accidents and injuries relevant to the workplace. Depending on the workplace, the organisation may also have full-time medical personnel on site.

### FOLLOW-UP MEDICAL TREATMENT

Organisations should ensure that workers injured or sickened as a result of their employment and requiring long-term care and/or medical treatment are provided with adequate rehabilitation and/or compensation. The organisation should provide appropriate assistance to injured workers for their follow-up medical treatment in accordance with all applicable requirements (for example, contractual or regulatory requirements).

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### 3.4 SENIOR MANAGEMENT REPRESENTATIVE

Accidents and ill health in the workplace are seldom random, unpredictable events. They generally arise from systemic failures of planning or control and involve multiple contributory elements. While the immediate cause of an incident may be a human or technical failure, the root causes usually stem from organisational failings. Avoidance of such failings is ultimately the responsibility of senior management. The requirement to appoint a senior management health and safety representative assigns that responsibility and authority.

The appointed Health and Safety Senior Management Representative should be assigned overall responsibilities (in accordance with SA8000 requirements) for management of health and safety within the organisation, and be granted sufficient authority and resources to ensure that organisation policies are implemented and improvement plans are effectively carried out, as needed. Most organisations also find it useful to additionally assign responsibility and accountability for the health and safety of personnel under their span of control to managers and supervisors at all levels. Managers should be aware of these responsibilities and other health and safety expectations of senior management.

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### 3.5 HEALTH AND SAFETY COMMITTEE

Worker involvement is essential to create a safe and healthy work environment, since they are the ones who are directly impacted by health and safety risks and behaviour. Therefore, SA8000 requires the establishment of a Health and Safety Committee. In addition to any relevant professionals as identified by the organisation and required by law, SA8000 requires the committee to be a well-balanced group of workers and management representatives. This committee is tasked with continuously improving health and safety in the workplace. The committee is required to conduct formal, periodic occupational health and safety risk assessments (for example, by performing job hazard analyses and ongoing assessments – see also 3.1, above) to identify and address current and potential health and safety hazards. This includes protecting workers' health and safety by proactive risk control measures, such as, engineering controls, regular training, and communication.

Evidence shows that businesses with a high level of workforce involvement in health and safety have better health and safety performance, and also tend to have higher productivity and workforce motivation. Like strong leadership, personnel engagement is essential because everyone, from the most senior managers to individual workers, has a part to play in building a strong health and safety culture - a culture built on the principles of trust,

respect, co-operation and joint problem solving between management and workers. These principles are vital because to reap the real benefits there has to be more than consultation; there has to be genuine worker participation in risk identification and the decision-making processes that affect their well-being.

## HEALTH AND SAFETY COMMITTEE STRUCTURE

According to SA8000, there is no required number of committee members, unless required by local or national law. Generally, the committee should be structured to meet each organisation's needs. The number of management and worker representatives on the committee will depend on the size of the organisation and the type of work, but the team should be balanced and cross-functional. The health and safety senior management representative should participate on the committee if possible. The committee should also include management representatives who have the authority to give proper consideration to views and recommendations and worker representatives (either appointed by a trade union, elected by the workforce, or a combination of both) who have knowledge of the work of those they represent. There must be at least 1 worker representative on the committee, but the number of worker representatives should be proportional to the number of workers in the workplace to ensure sufficient representation. It is also important to ensure that migrant, contracted, temporary and seasonal and shift workers are represented on the committee.

Personnel with specific relevant health and safety competencies, such as an organisation doctor/nurse, health and safety adviser or other specialists should provide support to the committee as needed. It is good practice to provide the health and safety committee representatives with sufficient resources to perform their duties. This includes training and access to relevant information. Committee members also need to be provided with sufficient time to prepare for and attend the meetings.

Participation in health and safety committee activities is part of the personnel's role within the organisation, so members should not suffer any loss of pay when they attend meetings or carry out other activities on behalf of the committee.

## HEALTH AND SAFETY COMMITTEE FUNCTIONS

The health and safety committee should meet regularly; typically on a monthly basis. However, the frequency of meetings is dependent on the volume of business; size and spread of the workforce; type of work done in the workplace and associated risks; issues to be discussed and other relevant factors. The meetings provide the committee with the opportunity to discuss health and safety matters that require consideration and cooperation of management and workers. The committee should establish and implement standard operating procedures to ensure that it is effective. Generally committee should agree on standing items for the agenda, such as statistics on accidents or illnesses, accident investigations, workplace inspections, health and safety training, and emergency procedures. The committee should also discuss other items that arise as needed, such as changes to the workplace that may impact the health and safety of workers.

According to SA8000, the committee is tasked with conducting the health and safety risk assessments. Members of the committee may have a range of involvement in the risk assessment process depending on their level of expertise in the area of health and safety. Members should receive training to enable them to participate in and understand the process, but all members do not necessarily have to conduct the risk assessment themselves.

The health and safety risk assessment should assess specific health and safety hazards according to the likelihood of a resulting injury or illness, the degree of harm they could cause, how many personnel would be impacted and

for what period of time, and any safety measures already in place. The process should include all personnel and individuals in the workplace (e.g. cleaners or security guards). It should also address all types of activities (routine and non-routine), and consider all types of accidents or emergency situations, such as a spill, explosion or fire, and conditions that may occur during extreme weather conditions, flood etc.

The health and safety risk assessment should be documented and the committee should recommend appropriate corrective and/or preventive actions to senior management. Management should then respond with a timetable for steps to address the hazard.

Due to varying levels of expertise within the committee, all members may not be involved in all the committee's activities. In addition to the risk assessment, the following list provides guidance on other suggested activities of the committee:

1. Surveillance of the factors in the working environment and working practices that may affect the worker's health, including sanitary installations, canteens, and dormitories (if provided)
2. Advice on planning and organisation of work, including the design of the workplace, machinery and other equipment, and substances
3. Participation in the development of programs for the improvement of working practices as well as testing and evaluation of health aspects of new equipment
4. Advice on occupational health, safety and hygiene, ergonomics and personal protective equipment
5. Surveillance of workers' health
6. Collaboration in providing information, training and education in the fields of occupational health and hygiene and ergonomics
7. Organizing first-aid and emergency treatment
8. Participation in analysis of occupational accidents and occupational diseases

## COMMUNICATION TO PERSONNEL

Minutes of the committee's meetings should be made available to all personnel. Information regarding inspection results, annual reports, and new procedures developed by the Committee should also be shared with personnel through meetings, newsletters, and memos.

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### 3.6 TRAINING

In order to maintain a safe and healthy working environment, personnel at all levels need to be aware of risks and control measures associated with their activities and be competent to effectively fulfil assigned duties and responsibilities. Initial and ongoing trainings are therefore critical elements of any health and safety management system, and SA8000 3.6 specifically addresses this type of training (general training requirements are found in SA8000 9.9).

SA8000 requires regularly scheduled training for all personnel (including temporary, seasonal, contracted workers, etc.) to address general health and safety topics as well as job-specific training as needed. Organisations with mature health and safety management systems routinely identify and implement training activities in accordance with the risk assessment findings. Training may be formal (such as classroom, or online programs) and informal, (such as on-going supervisory instruction resulting from observation). Records of both types of training should be maintained (9.1.6). If a specialised or particularly complex issue is identified as part of the risk assessment or through incident investigation, it may be beneficial for the organisation to invite external health and safety experts

to deliver the training. The organisation should also provide training or re-training whenever there are changes in the workplace that impact the health and safety. The organisation should always conduct training in the language of the workers and use appropriate methods for its workforce (e.g. use of a video or illustrative graphics where illiteracy rates are high). The organisation should review the effectiveness of the organisation's overall training plan and update it as needed. After completing the training, workers should be able to explain and, where appropriate, demonstrate their understanding of the key learning points. Drills, such as fire drills for example, are useful to reinforce workers' learning and illustrate the practical application.

Ongoing training should be conducted frequently enough to ensure that all personnel understand the information presented and at least as often as is required by law. All new personnel should receive training and participate in a walk-through of the facility to review health and safety hazards and preventive and evacuation procedures.

Additional training is also necessary after an incident occurs and when there are changes in the workplace that impact the health and safety (e.g. new machinery). The ongoing risk assessment processes will enable management to understand the hazards associated with the changes and plan training accordingly.

Training should be extended free of charge to all personnel and should occur during working hours, not as an extension of the work day. If training is conducted during weekends or other off-time hours, personnel should be compensated with overtime premium rates of pay, or with rest days to offset time spent.

#### TRAINING ON EMERGENCY PREPAREDNESS AND RESPONSE

Organisations should have a program that specifically trains all personnel in emergency and preparedness and response, including emergency evacuation drills on an ongoing basis.

Guidelines for Emergency Evacuation Drills:

1. Emergency evacuation drills should take place at least once every 6 months for all shifts.
2. All personnel should evacuate and assemble at an external assembly point in an area safely away from any danger on the organisation premises. The organisation should ensure that all personnel are accounted for at this assembly point.
3. The organisation should conduct and rotate the location of emergency evacuation drills so trained personnel can demonstrate that they know what to do in the case of any emergency, whether it is a fire, chemical spill or other situation.
4. Organisation should designate a group of trained personnel (e.g. fire wardens) to support the evacuation process and take some fire prevention and action, as appropriate with their level of training. Adequate regular training for fire wardens additionally includes firefighting techniques, special hazards, and leadership training.
5. The organisation should maintain documented evidence of the evacuation drills and time it takes to evacuate.

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#### 3.7 PROCEDURES AND RECORDKEEPING

SA8000 requires the organisation to document its health and safety management system through procedures and record-keeping. The purpose of these requirements is to create formalised, standardised and planned risk management processes in order to ensure consistent operational control and performance monitoring.

Subsequently, such documentation facilitates evaluation, analysis and investigations and enables management to prioritize system changes, thereby avoiding or reducing potential future issues and driving continual improvement.

The following health and safety documentation is typically maintained by organisations (list is non-exhaustive and non-mandatory):

- Organisation health and safety policy and procedures
- Health and safety organisational structure with responsible personnel
- Risk assessment and identified controls to eliminate or reduce the risks
- Short and long term objectives for addressing health and safety risks and lowering incident rates and evidence of implementation
- Records of regularly scheduled reviews of safety performance against goals and objectives
- Records of regular emergency drills
- Records of corrective and preventive actions taken to improve performance
- Records of decision-making and communication (e.g. minutes of meetings, memos sent to staff or management, posters used to communicate and inform)
- Readily available information and instructions regarding specific risks for workers
- Investigation reports for all incidents and near misses
- Training records and instructional materials

In addition to general documentation and recordkeeping requirements, SA8000 explicitly requires the maintenance of written records of all health and safety incidents in the workplace and in any residences and property provided by the organisation. The objective of this requirement is not to assign blame, but to identify and eliminate the root causes of incidents. It emphasizes the importance of formally recording and investigating every incident; this includes accidents (injury-related events) or near-misses (an event where no injury is sustained but which, under slightly different circumstances, may have resulted in injury). Following an accident or near miss, an incident investigation should identify root causes and control hazards that may not have been previously identified or subject to adequate control. Every contributing factor to an incident should be identified and appropriate corrective and preventive action (9.8) taken to prevent reoccurrence.

### NEAR MISS INCIDENTS

Many serious accidents are preceded by near misses. Just like injury-causing incidents, near misses are caused by faulty processes or management systems. Systemic recognition of near misses drives safety activities that are proactive rather than reactive, enabling organisations to prevent injuries or save lives by taking steps before further incidents occur. Many organisations do not have a reporting culture where personnel are encouraged to report near misses, but rather, unfortunately, have a culture of fear for being blamed after reporting a near miss. This requirement seeks to address that problem.

Best practices in establishing a health and safety culture that encourages reporting of near misses include the establishment of a reporting culture that reinforces every opportunity to identify and control hazardous conditions and behaviour; the establishment of a reporting process that is easy, non-punitive, and if desired, anonymous; consistent investigation of near misses, accidents and incidents in order to identify root causes and use of investigation results to effect system improvements.

### INCIDENT RECORDS

Incident records should, as a minimum, describe the incident or near miss, include the reason, root cause(s), time, name of person(s) involved in the incident and the actions identified to prevent a recurrence. Further additions to the incident records should be included on a case-by-case basis (e.g. days of work lost and compensation paid). Records should be maintained, reviewed and analysed to identify opportunities to reduce the incident rate. The organisation should conduct a risk analysis of all incident-related health and safety hazards, recording which remaining hazards require increased controls and who is responsible for ensuring those are implemented and followed.

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### 3.8 FACILITIES, SANITATION AND HYGIENE

SA8000 requires the organisation to provide clean and sanitary conditions, facilities, access and working practices in order to minimise risks to workers from an unsanitary environment.

#### SANITATION:

All workers should have access to sufficient potable water in working, eating and sleeping areas. Where the risk of contaminated water is high, the water supply should be regularly and appropriately tested to ensure it remains safe to drink, with a valid certification of potability. Workers should have access to suitable spaces for meal breaks, as well as adequate, functional, accessible and clean toilet and hand-washing facilities in working, eating and sleeping areas. In the absence of such dedicated spaces and adequate facilities, workers may improvise unacceptable and unsanitary solutions, which could present hazards to their health.

#### HYGIENE

The food safety requirements of SA8000 demand adequate protection of food from contamination or degradation due to environmental conditions. In particular, the organisation should ensure that food (e.g. workers' lunches) may be stored safely to avoid contamination from the air or from chemical residue on containers. Where food is prepared or sold on site (e.g. in a cafeteria), the organisation should ensure that it is kept in sealed containers to be free from contamination, and that preparation, handling and storage, comply with relevant regulations and hygiene standards. This obligation for the organisation applies even when food preparation and catering services are subcontracted (as per SA8000 9.10). Regular, safe and hygienic disposal of refuse is typically required in order to avoid pests, noxious odours and other unsanitary conditions.

#### FACILITIES

As noted in SA8000 3.8, adequate, functional, accessible and clean toilet and hand-washing facilities must be provided in both work areas and housing. Facilities and their surrounding rooms should be kept clean and be adequately ventilated and lit. Washing facilities should have running hot and cold or warm water (if possible), soap and clean towels or other means of cleaning or drying. If required by the type of work, showers should also be provided. Wherever possible, men and women should have separate facilities unless each facility is in a separate room with a lockable door and is for use by only one person at a time. Generally, these facilities should preserve the dignity of workers in the workplace (e.g. communal showers should not be used).

Adequate, suitable and secure space should be provided for workers to store their clothing. Changing facilities should also be provided for workers who change into special work clothing. The facilities should be readily accessible from workrooms and washing and eating facilities, and should ensure the privacy of the workers.

Suitable, sufficient and readily accessible rest facilities should also be provided in a place where personal protective equipment need not be worn. Seats should be provided for workers to use during breaks. Rest areas or rooms should be large enough and have sufficient seats with backrests and tables for the number of workers likely to use them at any one time, including suitable access and seating adequate for the number of disabled people at work. Suitable rest facilities should also be provided for expectant women and nursing mothers. Canteens or restaurants may be used as rest facilities provided there is no obligation to purchase food.

Where workers regularly eat meals at work, suitable and sufficient facilities should be provided for the purpose. Work areas can be recognised as rest areas and as eating facilities, provided they are adequately clean and there is a suitable surface on which to place food. Toilet and washing facilities should be readily available in the general proximity of eating facilities. Where hot food cannot be obtained in or reasonably near to the workplace, workers should be provided with a means for heating their own food (e.g. microwave oven). Facilities should also include the means of preparing or obtaining a hot drink.

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### 3.9 DORMITORIES AND HOUSING

Dormitory facilities and housing (whether owned, leased or contracted from a service provider) should also meet the basic needs of personnel and requirements of SA8000.

If the organisation provides dormitory facilities or another form of housing, the facilities should be:

- Clean, tidy, and not overcrowded
- Well-ventilated and heated/cooled to ensure comfortable conditions
- Outfitted with adequate and culturally appropriate toilets and warm showers
- Outfitted with appropriate and culturally acceptable arrangements for laundering clothing
- Subject to adequate emergency planning arrangements and fire safety precautions

In addition to tracking and monitoring health and safety performance in the workplace (3.7), the organisation is expected to apply similar processes to track and monitor health and safety performance in any dormitories, property and other venues under the organisation's control or influence. The organisation should also maintain records of accidents and injuries that occur in dormitory and other facilities.

The organisation should ensure that any housing which the organisation finances or arranges, directly or indirectly, for its workers is safe and adequate. Internal and external auditors require access to inspect those areas and verify that requirements are met. The organisation should also conduct a risk assessment for any housing provided to workers, and address key risks in that area (e.g. if fire is a risk, the organisation should conduct fire evacuation training and drills in that area as well).

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### 3.10 THE RIGHT TO REMOVE ONESELF IN THE FACE OF IMMINENT DANGER

The Standard makes it clear that, at times of imminent serious danger, all personnel (including all workers, managers and subcontracted persons on the premises) have the right to remove themselves from the danger without the prior permission of management. The requirement, based on ILO Conventions, is meant to prevent workplace fatalities caused by the lack of permission for workers to leave their work positions upon the first signs of a growing, serious danger, such as fire or building collapse.

In order to effectively implement the requirement, the organisation should include the requirement in its health and safety policy, communicate and train personnel on the policy, ensure that personnel understand the policy and improve the system if it becomes apparent that personnel do not understand the policy or the requirement.

## AUDITOR GUIDANCE

### GENERAL INTRODUCTION TO HEALTH AND SAFETY AUDITING

Note: Certification body auditors conducting SA8000 audits are required to meet the requirements of SAAS Procedure 200:2015, [Audit Requirements for Accredited Certification Bodies for the SA8000 Program](#). This guidance is intended to provide support to auditors conducting SA8000 audits.

In order to be effective, auditors must understand and have access to relevant laws regulations and any other health and safety obligations pertinent to the audit. Auditors should also keep in mind that any SA8000 certified organisation is required to develop and implement a health and safety management system that fully reflects the hazards and risks of the workplace, even when legislation or regulation does not require such an approach.

If the organisation maintains a comprehensive, effective and well-documented OHSAS 18001 system, additional/duplicated monitoring and internal audit (9.4) effort may not be necessary other than to evaluate requirements appearing solely in SA8000 (for example, SA8000's inclusion of dormitory facilities within its scope). However, OHSAS 18001 certification does not necessarily guarantee that the organisation is compliant with SA8000.

This section reviews key management issues related to health and safety, and some of the most common health and safety issues found in workplaces. Not all issues apply in every organisation; however, the auditor should take steps to ensure that an issue is NOT of concern before eliminating it from the audit. For instance, although exposure to asbestos may not be a relevant hazard in a toy manufacturing process, the auditor should review the risk assessment to determine if it is a risk in the building and verify through visual observation that the building does not contain crumbling fibrous asbestos.

This does constitute an exhaustive list of issues related to health and safety in the workplace. Auditors should adapt and/or expand the list and create a specific auditing strategy depending on the product, processes, facility, sector, geography and other conditions (e.g. history and/or pervasiveness of health and safety concerns in the workplace or community).

### KEY ISSUES TO CONSIDER

#### SENIOR MANAGEMENT COMMITMENT

At the core of any effective management system is evidence of senior management commitment (9.1.2). Therefore, senior management commitment is core to the effective implementation of the organisation's health and safety management system. Auditors should evaluate the demonstrated level of commitment to determine how the organisation is fulfilling its health and safety obligations and the requirements of SA8000. Auditing management commitment goes beyond reviewing management's policies and reporting structures and includes the provision of adequate resources (information, skills, equipment, materials, and environment) to establish, maintain, monitor and improve a safe and healthy workplace. Low-level system nonconformities, particularly when aggregated, often indicate lack of management commitment. In addition to evaluating commitment through the

totality of audit findings, one-on-one management interviews are highly recommended to determine the level of commitment, knowledge and technical understanding of key staff and senior management.

Institutionalized worker participation, as demonstrated through mechanisms such as health and safety committees, on-going management-trade union dialogue, worker participation in management review meetings, and a complaint management system, is a key indication of management commitment as well.

### HEALTH AND SAFETY COMMITTEE WORKER REPRESENTATIVE/S

Workers should freely elect their representatives to health and safety committees. Auditors can look for evidence of participation in committees (such as posted meeting minutes), open consultations with workers, worker delegates and health and safety officers, as well as physical implementation of corrective actions proposed by committees. As always, worker interviews can provide valuable information about worker awareness and the level and effectiveness of participation.

### TRAINING EFFECTIVENESS

The Standard requires organisations to demonstrate the effectiveness of health and safety training provided. In addition to reviewing records, the following are examples of some indicators that auditors may use to evaluate training effectiveness through interviews or personnel surveys:

- Workers and their representatives are able to explain the functionality and effectiveness of the health and safety program.
- Workers can explain how health and safety risks (e.g. chemical exposure) are controlled and minimized.
- Workers can explain what they need to do in case of an emergency and the correct person to talk to if they have a health or safety concern.
- Workers do not have any clear evidence of exposure to hazards (e.g. rashes, injuries, inappropriate use of machinery, or lack of protective clothing)
- Workers' attitudes are reflective of a positive and open culture related to health and safety (e.g. workers appear comfortable talking about health and safety issues or reporting issues.)

### HEALTH AND SAFETY INCIDENTS

In order to ensure that organisations meet their obligations related to health and safety incidents, auditors should be familiar with local laws, health and safety regulations and industry risks; establish the existence and contents of organisational policies; and analyse records/accounts of past incidents. Worker interviews provide information on the organisation's practices. Stakeholder engagement with local trade unions, labour NGOs, and ex-workers may provide relevant information about such situations.

### LATENT HEALTH HAZARDS

According to ILO data published in 2011, every year 2.3 million people die from occupational injuries or work-related diseases, which equates to around 6,300 deaths per day.<sup>10</sup> Health hazards at the workplace can be obvious at times, but are often more subtle, damaging health through long term exposure to chemicals, radiation, asbestos, dust and noise. The latency of many health effects means it can be difficult to link cause and effect, to

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<sup>10</sup> ILO, "Safety and health at work." Available at: <http://www.ILO.org/global/topics/safety-and-health-at-work/lang--en/index.htm>.

establish the source of exposure and at times to find all the affected past workers in order to ensure appropriate medical treatment and compensation is provided. For example, an acute injury such as a broken arm has a clear direct cause and effect; while a chronic injury or health issue, such as prolonged exposure to asbestos or dust, which affects the worker in a gradual way and may not be clearly and directly linked to the workplace, thus is more difficult to identify and address. According to the ILO, among all estimated work-related fatalities in 2002, only about 15% were caused by accidents or workplace violence, while 85% were caused by less visible factors such as communicable diseases, malignant tumours, respiratory system diseases, neuropsychiatric illness, etc.

Prevention of occupational health hazards is, therefore, of great importance. Auditors should be aware of long-term risks in any organisation they audit and investigate the effectiveness of hazard control measures.

## COMMON HEALTH AND SAFETY RISKS

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At a minimum, organisations should comply with all relevant legislation and regulations related to health and safety risks so auditors should be knowledgeable about local legal and regulatory frameworks.

### HAZARDOUS CHEMICAL EXPOSURE

Hazardous chemicals are present in most workplaces and can cause a wide variety of short and long-term harm, from mild irritation to cancer. The risk depends on the dose, concentration and duration of exposure, the exposure route (inhalation, skin contact or ingestion), the mixing of the chemical with other hazardous substances, and the individual's personal sensitivity to the substance. Many governments set maximum exposure standards for known hazardous substances but, because the effects of long-term exposure to multiple substances and personal sensitivities are rarely considered when developing such exposure standards, exposure should be always be kept as low as possible.

Management should identify and collect information about all hazardous chemicals and substances used within the facility (including not only production materials, but also peripheral materials such as maintenance, janitorial and grounds-keeping supplies), and make that information available to workers. Auditors should check that containers are clearly labelled and Safety Data Sheets, SDS (formerly called Material Safety Data Sheets--MSDS) should be readily accessible to anyone who may come into contact with the substance. Auditors should also determine if workers are aware of the nature and risks associated with the substances to which they are exposed. Where hazardous chemicals or substances are used, workers should be trained and, where appropriate, the levels of hazardous chemicals or substances in the work environment should be monitored regularly to ensure exposure does not exceed safe levels.

Chemical compounds are not the only hazardous substances found in workplaces. Heavy metals (such as lead and mercury) can pose significant health risks, as can exposure to cigarette smoke. In some situations, workers may not associate adverse health effects with exposure to hazardous substances, for example, symptoms such as nausea and dizziness caused by exposure to a high concentration of an airborne solvent (such as that from an adhesive compound) may be mistakenly attributed to heat or fatigue.

Auditors need to be familiar with and be alert to the potential for exposure to hazardous chemicals in all areas of the organisation's products, by-products and operations.

### AIRBORNE PARTICULATE MATTER EXPOSURE

The inhalation of dust and fibres by workers can cause serious diseases of the lungs and other organs, and the health effects may not appear until years after exposure. Lung diseases are the leading cause of occupational health problems in countries such as China, accounting for approximately two-thirds of all verified occupational diseases.

Common sources of airborne particulate exposure are:

- Manufacturing, cutting or processing dust-producing materials such as wood, cotton and other fabrics
- Manufacturing and processing asbestos-containing products such as textiles, building material and brake and clutch components
- Contact with deteriorating asbestos-containing buildings
- Disturbance of asbestos-containing materials during the renovation or demolition of buildings
- Dusty environments common in mines, construction sites, food processing plants, facilities that generate metallic dust and agriculture

In addition to respiratory hazards, airborne particulates of any type (even non-flammable particulates) pose a high risk of flashover and explosion at a particular concentration.

**Asbestos:** Exposure can cause a build-up of scar-like tissue in the lungs and result in loss of lung function that may progress to disability and death. Asbestos fibres associated with these health risks are too small to be seen with the naked eye. In most countries asbestos has either been banned or there are strict regulations that control its use. Buildings with asbestos-containing materials in good condition and unlikely to be damaged are recommended to be left in place and their condition monitored and managed to ensure they are not disturbed. Auditors should check that organisations with asbestos hazards should employ adequate risk controls based on a risk assessment.

**Cotton dust:** Exposure can lead to conditions such as byssinosis or “brown lung disease” and cancer. US-OSHA recommends twice-yearly measurements of cotton dust using a vertical elutriator or equivalent equipment.

**Wood Dust:** Exposure can cause a variety of health problem such as nose and throat irritation, allergic reactions, contact dermatitis and cancers. Health problems can also result from inhaling fungi and mould that grow on the wood and chemical residues from wood treatments such as formaldehyde and copper naphthenate. Exposure and concentration standards for wood dusts vary, depending on the type of wood. If the audit team deems wood dust to be a significant issue, it should determine the type of wood and check that the organisation is applying the appropriate standards and measurement techniques.

## ELECTRICAL HAZARDS

The incorrect handling of electricity may harm personnel. In addition to the immediate danger of death or severe injury from electrical fires or shock, reactions to minor electrical shocks can expose workers to other hazards as well.

Auditors should check the following items during the facility walk-through (note: this list is not exhaustive or mandatory and should be amended for local contexts):

- Electrical contacts are not freely accessible.
- Power sockets and electrical switches function properly and be in good condition.
- Electric installations are installed in a fixed and secure manner.
- Electric cables do not impede access to workspaces or run alongside open knives or blades.

- Electric installations are grounded to avoid the conduction of electricity through metal components and machines.
- High-voltage warning signs are displayed next to main power connections or main fuse boxes.
- Electrical junction boxes, electrical control rooms and fuse boxes are secured, accessible only to authorized personnel and made of flameproof material.
- Competent and trained personnel are responsible for conducting any necessary work on electrical systems qualified personnel.
- Recorded, regular safety inspections of electrical installations.

## MACHINERY

Machinery and related accessories such as saw blades, band knives, punches or presses are normally fitted with safety devices by their manufacturers. Personnel may be at risk if the necessary safety devices are missing, defeated or defective. There is likewise an increased risk if machine operators have not been properly trained.

Auditors should check the following items during the facility walk-through and interviews (note: this list is not exhaustive or mandatory and should be amended for local contexts):

- Access to rotating or oscillating machine parts is physically limited and/or the corresponding working zone is located at a safe enough distance to avoid hazards to other workers or passers-by.
- Protective devices that guard against injury, including finger guards, drive belt safety covers, ventilator guards and other safety devices, are properly installed and function effectively.
- Machines are fitted with fully operational emergency cut-off switches.
- Warning signs are prominently displayed on dangerous machines.
- Safe operating instructions are near each machine in a language understandable to workers
- Workers can explain safety precautions and emergency plans related to all machines.

## STEAM BOILERS

Steam boilers are dangerous because the steam is heated to a high temperature and subjected to high pressure. If the boiler is damaged, there may be the risk of an explosion. Hot steam escaping the boiler may burn or scald workers. The combustion chamber of a steam boiler creates a fire risk, as does the storage of fuels such as gas, oil or coal.

Auditors should check the following items during the facility walk-through and interviews (note: this list is not exhaustive or mandatory and should be amended for local contexts):

- Steam boilers operated with gas, oil, coal or other combustible materials are not installed close to dormitories, staircases or escape routes.
- Stationary steam boilers are installed in separate rooms or buildings, which are secured so that only authorized persons have access to these rooms.
- High-pressure safety relief valves should be installed in every steam boiler.
- The steam boiler system is in good condition and there is evidence that it is tested and inspected regularly.
- Safety rules and operating instructions for the steam boilers are displayed, as appropriate, and relevant personnel have been trained so they can explain the rules and instructions.

## FIRE

Fire is a significant risk in many sites and can result in the injury and death of many workers. Fire prevention and preparedness is therefore extremely important for the protection of workers. Auditors should check that the organisation has conducted a risk assessment that identifies fire risks and implements suitable controls to eliminate or reduce the risk of fires.

Auditors should check the following items during the facility walk-through and interviews (note: this list is not exhaustive or mandatory and should be amended for local contexts. See “Emergency Preparedness and Response Planning” above for additional information as well.):

- Controls are in place to prevent contact between flammable vapours and dusts and any exposed flame, hot surfaces or sparks from welding or similar activities.
- Risky activities involving exposed fire, sparks, hot temperatures or flammable materials do not take place near flammable building materials, floors, walls and roofs.
- Planned hot work (for example, welding, soldering, cutting or brazing) takes place under tightly controlled conditions and subject to continuous monitoring.
- Flammable substances are stored in safe areas and preferably fireproof containers, and workers handling them are aware of their combustible nature and appropriate handling procedures.
- Electrical wiring, circuits and machinery are well maintained in order to minimize the risk of an electrical fire.
- The number of fire alarms and fire extinguishers is adequate for the size of the site and the types of fire hazards identified (e.g. different types of extinguishers are used for fire involving wood, material or paper than for fires involving flammable liquid, live electrical components and oils). Equipment is appropriately located and is tested and inspected regularly.
- Designated, trained personnel (e.g. fire wardens) are present on each site, preferably on each floor, and are trained in the use of fire-extinguishing equipment.
- Emergency evacuations are practiced regularly, and evacuation times are recorded. Workers participate in at least one evacuation drill per year, and can explain the emergency evacuation procedures.
- There are an adequate number of emergency exits based on the number of occupants. These exits are unobstructed, clearly marked, well-lit, and lead to safe areas outside of the building. Fire doors are operable from the inside at all times, constructed so that they never prevent exit.

## EXTREME TEMPERATURES

Beyond mere discomfort, extreme or prolonged exposure to hot or cold conditions can cause serious damage to workers’ health and can even lead to death. Heat stress can cause burns, rashes, cramps, exhaustion, heat fatigue, collapse, or stroke. Cold can cause hypothermia, frostbite and cold burns (e.g. liquid nitrogen).

Heat and cold injuries typically result from:

- Prolonged exposure to high or low air temperatures and high humidity
- Exposure to radiant heat sources such as furnaces or direct physical contact with very hot objects, such as molten plastics or hot water
- Direct contact with cold objects such as refrigerated or frozen food and very cold water
- Strenuous physical activity
- Lack of adequate clothing in cold work environments

In many locations, the ambient temperature varies considerably throughout the year. If the time of audit is not the coldest, hottest or most humid time of the year, auditors should ask workers, management and medical personnel about conditions during extreme weather conditions. If air conditioners, fans or heaters are present, auditors should ask workers about their use. If the electricity supply is inadequate or unreliable, auditors should determine that the organisation has a back-up plan to ensure that temperatures remain acceptable.

Auditors should especially inquire about conditions for workers handling extremely hot or extremely cold items, working in hot or cold environments or with hot or cold liquids. Protective equipment should be used where needed; duration of exposure should not be excessive and there should be rotation of workers in places like cool-rooms and near furnaces to avoid discomfort and over-exposure.

## NOISE

Although exposure to noise in the workplace may not seem as important or immediately harmful as exposure to fire or hazardous chemicals, according to the World Health Organisation (WHO) noise-induced hearing impairment is the most common irreversible (and preventable) occupational hazard worldwide. Exposure to even moderately high noise levels over time can interfere with concentration, cause stress and fatigue, reduce efficiency, lower morale and interfere with sleep. Prolonged or excessive exposure to noise can reduce the ability of workers to understand speech under normal conditions, and can lead to permanent medical conditions such as hypertension and heart disease.

According to the WHO, exposure for more than eight hours a day to sound in excess of 85 decibels is potentially hazardous. Through the risk assessment process, organisations should determine if noise is a risk factor. If it is, auditors should check that the organisations undertake regular occupational noise exposure evaluations and take steps, wherever possible, to reduce exposure to noise. Where noise levels necessarily remain high, auditors should check that workers wear appropriate noise protection PPE and are subject to regular hearing evaluations and subsequent actions to minimize hearing loss.

The audit team can use existing records if they are deemed reliable, or measure noise levels using noise dosimeters or sound level meters.

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## WORKER INTERVIEW STRATEGY

Both group interviews and one-on-one interviews are appropriate for the collection of information when auditing health and safety requirements.

## MANAGEMENT INTERVIEWS

One-on-one interviews of the appointed senior management representative and other operational managers can provide useful information for the auditors to understand the organisation's commitment to SA8000. Auditors should also confirm that information provided by management is accurate, using other audit evidence, such as the facility walk-through, records and interviews with workers

## GROUP INTERVIEWS - WORKERS

Worker group interviews useful to investigate and review health and safety issues that are common and pertinent to the worker group as a whole. The following list represents the type of information frequently obtained through group interviews:

- The provision of general health and safety training (upon hire and at regular intervals)
- General knowledge of emergency response and first aid procedures
- General knowledge of key health and safety resources, such as: emergency contact numbers, first aid kits, fire alarms and extinguishers, SDS/MSDS, spill kits, date of the last fire drill
- Ambient temperature in the workplace
- Effective communication of organisation policies and procedures, such as incident reporting requirements

### ONE-ON-ONE INTERVIEWS - WORKERS

One-on-one interviews with workers are useful to learn about more specific health and safety issues. Typically, this may include issues such as machine safety, chemical/dust exposure, proper use of PPE, etc. Similarly, interviews of worker representatives on the health and safety committee are useful to learn about the effectiveness of the committee's activities and the degree to which worker representatives are involved in the committee's activities.

The following open-ended questions may be useful for auditors to learn about health and safety conditions at the organisation (list of questions is not exhaustive or mandatory):

- a. Do you generally feel safe at work?
- b. Are there times that you feel less safe than others? Could you tell me more about those times?
- c. Are there any ways to make the workplace safer for you or for other workers? What would you suggest if the manager asked for your opinion on making improvements in the factory?
- d. If you saw something that was of concern in the workplace [give an example], what do you think would be the best thing to do? Who would you talk to about the issue? Has that ever happened in the past?
- e. What do you know about the chemicals you are working with? (Prompt for the following if not mentioned: names, health issues, safety issues, handling procedures, appropriate and safe use, safety precautions, emergency response, and treatment for overexposure)
- f. How did you learn about the health and safety precautions in the workplace?
- g. If you are asked to start working with a new machine, what kind of training would you receive?
- h. Do you know the emergency signals and evacuation route? Please explain the evacuation procedure to me.
- i. Do you know anyone who has been injured at work? Can you tell me about what happened during and after the incident that caused the injury?

## 4. FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING

### RELEVANT SA8000 DEFINITIONS

1. **Worker organisation:** An autonomous voluntary association of workers organised for the purpose of furthering and defending the rights and interests of workers.
2. **Collective bargaining agreement:** A contract specifying the terms and conditions for work, negotiated between the organisation (e.g. employer) or group of employers and one or more worker organisation(s).
3. **SA8000 worker representative(s):** One or more worker representative(s) freely elected by workers to facilitate communication with the management representative(s) and senior management on matters related to SA8000. In unionised facilities the worker representative(s) shall be from the recognised trade union(s), if they choose to serve. In cases where the union(s) does not appoint a representative or the organisation is not unionised, workers may freely elect the worker representative(s) for that purpose. (Note: The SA8000 worker representative should not be seen as a substitution for a union representative in organisations where workers choose to organise.)

### SA8000 REQUIREMENTS

- 4.1 All personnel shall have the right to form, join and organise trade union(s) of their choice and to bargain collectively on their behalf with the organisation. The organisation shall respect this right and shall effectively inform personnel that they are free to join a worker organisation of their choosing without any negative consequences or retaliation from the organisation. The organisation shall not interfere in any way with the establishment, functioning or administration of workers' organisation(s) or collective bargaining.
- 4.2 In situations where the right to freedom of association and collective bargaining are restricted under law, the organisation shall allow workers to freely elect their own representatives.
- 4.3 The organisation shall ensure that union members, representatives of workers and any personnel engaged in organising workers are not subjected to discrimination, harassment, intimidation or retaliation for being union members, representative(s) of workers or engaged in organising workers, and that such representatives have access to their members in the workplace

### BACKGROUND AND INTENT

#### BACKGROUND: RELEVANT INTERNATIONAL NORMS

In 1944, the Constitution of the ILO was supplemented by the inclusion of the Declaration of Philadelphia concerning the aims and purposes of the ILO, which reaffirmed "the fundamental principles on which the Organisation is based and, in particular, that: freedom of expression and of association are essential to sustained progress." In 1948 and 1949, respectively, the ILO adopted Convention 87 on Freedom of Association and Protection of the Right to Organize and Convention 98 on the Right to Organize and Collective Bargaining, which together constitute the basic international instruments governing freedom of association and are two of the eight fundamental ILO conventions. Therefore, all member States are committed to respecting the principle of freedom of association and collective bargaining through the 1998 Declaration on Fundamental Principles and Rights at Work, which is also endorsed by the UN Guiding Principles.

These rights are also enshrined in other human rights instruments, including the Universal Declaration of Human Rights (1948), the International Covenant on Economic, Social and Cultural Rights (1966) and International Covenant on Civil and Political Rights (1966).

The vast majority of ILO member states have ratified Conventions 87 and 98, demonstrating increasing recognition of freedom of association and collective bargaining as the lawful rights of workers. However, even within many ratifying states, there still exist direct and indirect restrictions on the exercise of these rights in practice.<sup>11</sup>

Convention 87 states that national governments are to ensure the following key provisions for freedom of association:

1. Article 2: Workers and employers have the right to establish and join organisations of their own choosing without previous authorization.
2. Article 3.1: Workers and employers have the right to draw up their own rules, elect representatives in full freedom and organize their administration and activities and to formulate their own programmes.
3. Article 3.2 and 4: Public authorities must not interfere with any of these mentioned rights and cannot dissolve or suspend such organisations

Convention 98 on the Right to Organize and Collective Bargaining reiterates in Article 1 the protection of workers “against acts of anti-union discrimination in respect of their employment.” Thus, no employment can be made subject to the condition of not joining a union, nor can workers be dismissed or otherwise prejudiced against by reason of union activity. Article 2 prohibits interference with union activities, including the domination of such organisations by employers through financial or other means.

Supplements to these conventions were adopted in 1971 and 1981. The Workers’ Representatives Convention 135 further defines and protects the rights of workers’ representatives (Note: The worker representatives covered by this convention are NOT the same as the SA8000 worker representative. The SA8000 worker representatives do not have any role in collective bargaining or other union activities if they are not the union representatives as well.)

1. Article 1 protects workers’ representatives from unlawful dismissal based on their status or activities as a workers’ representative.
2. Article 2 affords workers’ representatives the means to be able to carry out their functions promptly and efficiently.
3. Article 3 defines workers’ representatives, depending on national law, as either:
  - a. Trade union representatives designated or elected by trade unions or by members of such unions;
  - or
  - b. Freely elected workers’ representatives
4. Article 5 deals with the co-existence of non-trade union workers’ representatives and trade union representatives in the same workplace:

“Where there exists in the same undertaking both trade union representatives and elected representatives, appropriate measures shall be taken, wherever necessary, to ensure that the existence of elected representatives is not used to undermine the position of the trade unions concerned or their

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<sup>11</sup> All member states of the ILO are required to report on national compliance with the eight core conventions, which includes Convention 87 and Convention 98 as noted above. A good source for countries’ efforts and progress in ensuring the rights codified in these conventions is the ILO Annual Review, published on the ILO website: [www.ILO.org](http://www.ILO.org).

representatives and to encourage co-operation on all relevant matters between the elected representatives and the trade unions concerned and their representatives.”

Convention 154 on Collective Bargaining further defines the scope, definition, application and promotion of collective bargaining rights. Article 3 provides parameters for national law to define and protect collective bargaining when non-trade union workers’ representatives are involved. These workers may, if national law allows, be permitted to engage in collective bargaining legitimately as long as they do not undermine the position of the workers’ organisations concerned (Note: these worker representatives have a different role than SA8000 worker representatives) .

## INTENT OF THE STANDARD

Freedom of association as a right is core to SA8000 and a fundamental principle for human and labor rights in general. While SA8000 does not require the establishment of trade union representation for workers, SA8000’s implementation of workers’ rights clearly and strongly intends to:

1. Protect workers’ right to all aspects of freedom of association, including their rights to organise and represent themselves in collective negotiations with management.
2. Ensure that management does not intervene or interfere in any way in the nomination, election, operation, administration, or financing of workers’ representation.
3. Protect against adverse activities that discriminate against worker representatives and members of worker organisations, particularly trade unions. These might include discrimination in the hiring training, promotion or dismissal of worker representatives or trade union members or their assignment to less preferred work roles or work sites.
4. Ensure that management does not unreasonably refuse to bargain collectively with workers’ organisations.

The organisation should be able to demonstrate that it has actively developed and implemented the necessary actions to ensure that the workplace provides a truly free and protected environment for workers to implement their decision on whether to have union representation.

In countries where it is not possible to establish free and independent trade unions because such action is restricted under law, the organisation is required to allow workers to freely elect representatives. The organisation should provide a safe workplace for workers’ full exercise of their rights to elect worker representatives with the same gravity and restraint as employers in countries that do permit free and independent trade unions, and for workers to directly elect their representatives at the organisation level. Workers’ choice of their representatives also means that their representatives should be chosen from amongst their number of workers, not from supervisory or managerial ranks. In every case, employers may not interfere in workers’ exercise of these rights.

## IMPLEMENTATION GUIDANCE

SA8000 requires organisations to implement an effective management system to manage social performance for Elements 1-8. Please refer to [Section 9](#) for detailed guidance on the management system requirements (SA8000 9. Management System). The components of an effective management system are:

1. *Policies, Procedures and Records*
2. *Social Performance Team*
3. *Identification and Assessment of Risks*

4. *Monitoring*
5. *Internal Involvement*
6. *Complaint Management and Resolution*
7. *External Verification and Stakeholder Engagement*
8. *Corrective and Preventive Actions*
9. *Training and Capacity Building*
10. *Management of Suppliers and Contractors*

*The organisation should develop a management system to effectively meet the SA8000 performance requirements for SA8000 4. Freedom of Association & Right to Collective Bargaining.*

### **1. Ensure Freedom of Association (FOA)**

SA8000 4.1 requires organisations to ensure that their workers have the freedom to form, join and organise any trade union they choose, free of any form of interference or competing organisations set up or backed by the employer. The emphasis here is on two major and unbreakable principles:

- a. First, it is workers who solely and affirmatively have these rights, which only they can exercise.
- b. Second, the employer is not permitted to interfere with the exercise of these rights.

As part of SA8000 4.1, the organisation is also required to effectively inform personnel about these rights. Therefore, to meet the expectations of SA8000 Standard, the organisation should be able to demonstrate that it effectively, objectively, and transparently communicates to workers their right to join or form trade unions. This requirement does not allow employers to interfere in workers' free choice when considering unionization, as it is the worker's choice whether he/she joins a trade union. The organisation's duty here is to permit workers' full exercise of their rights by informing them in an unbiased manner of their option to organise. The critical dividing line is that communications from the organisation or its representatives cannot go beyond neutrality on workers' decisions about organising. Some strategies for that communication include:

1. Development of an organisation-wide freedom of association policy, with clear statements and references to national law and international standards. This can be incorporated into the organisations general SA8000 policy (see 9.1 Policies, Procedures and records)
2. Clear statement and reference to freedom of association in the human resources policy
3. Inclusion of freedom of association in orientation or other ongoing training
4. Posting the policies for freedom of association and collective bargaining visibly throughout the workplace in languages that workers understand.

### **2. Collective Bargaining**

SA8000 4.1 also requires the organisation to respect and participate in workers' ability to bargain collectively. As noted in Convention 98, Article 4, collective bargaining is "voluntary negotiation" between employers and organisations of workers in order to establish "the regulation of terms and conditions of employment by means of collective agreements." The organisation should be able to demonstrate that the union or otherwise named workers' organisation that negotiates with the employer was chosen freely by the workers and meets the ILO criteria for independence. Notably, the employer is expected to bargain in good faith and not engage in undue litigation or other actions to slow, stop or limit the bargaining process.

### **3. Non-Discrimination**

The organisation is required to ensure that workers are not subjected to discrimination, harassment,

intimidation or retaliation related to participation in unions or organising. In addition to not discriminating against these workers, SA8000 also specifically prohibits employers from harassing, intimidating and retaliating against them. As explained in Article 1 of Convention 98, the organisation must not “make the employment of a worker subject to the condition that s/he shall not join a union or shall relinquish trade union membership” and must not “cause the dismissal of or otherwise prejudice a worker by reason of trade union membership or because of participation in trade union activities outside working hours or, with the consent of the employer, within working hours.<sup>12</sup>” This provision clarifies, emphasizes and expands protection-- from any type of employer discrimination and reprisals for: a) worker representatives (i.e. union leaders); b) people in the process of organizing workers; and c) union members. The intention is to protect all personnel involved with trade unions or worker organisations, in whatever capacity, from negative consequences or retaliation for exercising their rights of freedom of association and collective bargaining. However, SA8000, in conformance with ILO provisions, does not require that employers permit union activities during working hours unless they have formally granted permission.

#### 4. Non-interference

As noted above, employers are prohibited from interfering in any aspect of organizing or collective bargaining. Employer support of organisations that compete with freely elected trade unions, including when the intent is employer control of the organisation, is considered interference and is prohibited. Cases have arisen where worker committees not meeting the legal requirements for establishing a trade union have been favoured and subsequently recognized by an employer. Convention 98, Article 2, prohibits, in particular, “acts which are designed to promote the establishment of workers' organisations under the domination of employers or employers' organisations, or to support workers' organisations by financial or other means, with the object of placing such organisations under the control of employers or employers' organisations.”

#### 5. Locations with restrictions on trade unions

If the organisation operates in a location where the state interferes with freedom of association and collective bargaining, SA8000 4.2 requires the organisation to allow workers, without fear of retaliation, unimpeded right to comparable collective representation.

### AUDITOR GUIDANCE

Note: Certification body auditors conducting SA8000 audits are required to meet the requirements of SAAS Procedure 200:2015, [Audit Requirements for Accredited Certification Bodies for the SA8000 Program](#). This guidance is intended to provide support to auditors conducting SA8000 audits.

### KEY ISSUES TO CONSIDER

The following are examples of issues that auditors should consider when assessing the organisation's performance with regard to freedom of association and collective bargaining. The guidance provided below is not exhaustive, nor is every item mandatory. Auditors should adapt and/or expand on this information according to the specifics of

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<sup>12</sup> ILO Convention 98: Right to Organise and Collective Bargaining Convention (1949), Art. 1.

the organisation and the local context. Auditors should create a specific auditing strategy to investigate these and other identified issues for each organisation.

### **1. Discrimination against Trade Union Members**

SA8000 prohibits organisations from partaking in any form of anti-union discrimination, both at the beginning and during the course of employment. Employer's discriminatory action against workers, based on trade union membership and activities, is a chronic problem in workplaces around the world. This problem exists even in countries with little or no statutory restriction on trade union rights. Of all the forms of action against workers, dismissal is the most obvious deterrent to worker organizing and carries serious consequences for workers. Other measures may also constitute serious prejudice against the worker, for example, transfer, blacklist, relocation, demotion, and denial of remuneration, social benefits, and/or vocational training.

It may be extremely difficult for auditors to establish whether or not trade union membership or any other worker organising activities are the real cause for any punitive actions taken by the organisation. Sometimes organisations punish workers even when they are not attempting to organize a trade union, but simply speak up for better conditions. When a worker alleges that the organisation has discriminated against due to union involvement, organising efforts, or other efforts to defend colleagues' rights, auditors should conduct further investigation with management and fellow workers. Such investigation can include review of documents and records such as performance reviews, prior disciplinary warnings, and whether or not the worker was allowed to defend herself or himself from such actions. In cases where dismissed workers had an average evaluation profile, further investigation should be pursued. Consultation with local trade unions and concerned NGO groups also helps auditors make a better assessment of such situations. Auditors are strongly recommended to conduct off-site interviews with trade union organisations, NGOs and dismissed workers to assess worker treatment.

### **2. Effectively Inform Personnel about Freedom of Association**

Auditors should assess the steps that the organisation has taken to inform personnel about their right to join or form trade unions and to bargain collectively. It should be noted that organisations should not overtly encourage trade union membership, but nor are they permitted to take steps to overtly deny the right to organize. Auditors should check, especially through worker interviews, if organisations have taken steps, such as those outlined above (FOA policy, FOA training, etc.) to inform personnel about their rights.

### **3. Employer's interference in workers' organisations**

Organisations are prohibited from interfering in any way in the establishment, functioning or administration of workers' organisation(s) or collective bargaining. This reflects Article 2 of Convention 98, which states that workers' and employers' organisations should enjoy adequate protection against any acts of interference by each other or each other's agents or members in their establishment, functioning or administration. Convention 87, Article 10 defines employers' and workers' organisations to mean "any organisation of workers or of employers for furthering and defending the interests of workers or of employers." In the vast majority of cases where employers seek to interfere with or discriminate against workers' organisations, trade unions are at risk.

- a. Auditors are not to evaluate the effectiveness of the trade union, but they should seek to determine whether or not the trade union was/is in any way manipulated or put in place by management.
- b. Auditors should recognize that employer interference in the establishment or administration of trade unions may take various forms. There is no exhaustive list of the acts or evidence of interference. In

some cases, an employer may contribute to the financing of one particular trade union or workers' organisation and thus gain a controlling interest in its activities or management. In other cases, an employer may interfere by offering access to the premises or facilities only to a particular trade union preferred by the management.

- c. When more than one trade union or workers' organisation exists in a facility, auditors should be careful to use diverse methods to assess the situation, including more extensive interviews with workers and consultations with local NGOs, regional trade unions or possibly the global union federations (GUFs). Auditors should also know national laws and international standards on how dual representation structures should be handled.

#### 4. Social Performance Team and SA8000 Worker Representative(s)

The establishment of a Social Performance Team (SPT) and SA8000 worker representative(s) (SA8000 9.2) should not be confused with workers' right to organise and bargain collectively. These are distinct concepts and roles. The SPT and SA8000 worker representative(s) are solely concerned with SA8000 implementation and monitoring, not workers' collective negotiation with management.

As noted in SA8000 9.2.2, the SPT and SA8000 worker representative(s) should in no way undermine the role of the trade union in its activities, including collective bargaining.

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## WORKER INTERVIEW STRATEGY

As noted above, the rights to freedom of association and collective bargaining are an integral part of fundamental human rights and a building block to ensuring respect for all other rights advocated in SA8000. It is therefore important to determine, through interviews with workers and other means of investigation, whether these rights are impeded or restricted in any way at the facility and verify that workers are not threatened inside or outside the workplace. Therefore, it is recommended that auditors monitor the local situation closely and have ongoing communication with local, regional and national trade union representatives. NGOs and interested parties can also be helpful, but they cannot fully substitute for the trade union perspective. Offsite interviews with workers are strongly recommended.

Freedom of association is a sensitive issue in many places. It is particularly important for auditors to inform workers that all interviews are highly confidential, and that there are mechanisms available for workers to lodge confidential complaints outside the factory through the auditors or other local organisations if they experience discrimination or retaliation afterwards. Both management and workers should be informed that future audits will include reviews of the continued employment of workers who are interviewed.

Where there is no apparent trade union at the facility, workers should be asked if they know whether workers have discussed forming a union in the past and whether union representatives met with workers in the bargaining unit. If so, the auditor should try to ascertain what union may have been involved and should ask the workers why the effort failed or why there is today no union. If a union is named, the auditor should contact the union to discuss the history of the attempt to unionize

Where there is a trade union in the facility, auditors should interview trade union leadership and membership on a regular basis. Auditors are not there to check on the effectiveness of the trade union, but they should seek to determine whether or not the union was/is in any way manipulated or put in place by management. To that end, as noted above, auditors should seek to determine through worker interviews, the extent to which workers know and/or can describe: (1) the name of their trade union; (2) the identity of their trade union representative/s; (3)

how the representatives get nominated and elected; and (4) the basic content of the collective bargaining agreement with management.

If strikes, walkouts, work stoppage, or any related labour conflicts occurred within two years prior to the audit, auditors should give special attention to these issues and conduct separate interviews (preferably off-site) with particular personnel involved in the conflict. In order to get a comprehensive understanding, auditors should separately interview trade union representatives, managerial staff, union members and non-members, those who supported the labour dispute with the management and those who opposed. For further information, auditors may also consult regional trade unions and/or sources such as a government labour dispute arbitration centre.

Considering the complex nature and crucial importance of these rights, auditors should ask as many indirect and open-ended questions as possible. Throughout the interview processes, auditors should take care that interview questions are impartial with respect to trade unions (so they are not advocating either for or against trade union membership).

In assessing national laws on workers' rights to free association and collective bargaining, auditors may find it useful to consult local offices of the ILO or local NGOs.

When auditing the organisation's compliance with SA8000 4. Freedom of Association and Collective Bargaining, three broad areas help the auditor organize the interview process:

#### **1. Management Communications**

It is important to identify any communications problems that may exist around freedom of association and the right to collective bargaining. Auditors should analyse, by specific inquiry and inspection, the extent to which the organisation has an open attitude towards workers' organizing, collective bargaining and participation in improvements of working conditions. Auditors should seek to determine the answers to the following questions in addition to conducting in-depth analysis of the evidence related to any claims of discrimination or intimidation for organising or other trade union activities.

- a. What are unionized and non-unionized workers' perspectives on freedom of association and collective bargaining rights?
- b. What are unionized and non-unionized workers' perspectives on the extent to which the employer's communications with and about the trade union is neutral or non-biased? Are unionized workers and non-unionized workers treated differently?
- c. Do workers report any worries or fears about joining a trade union? Do they believe managers discriminate against trade union members? Are workers asked about union activities prior to being hired?

#### **2. Workers' Choice**

Auditors should note carefully any financing or technical assistance to any worker association and verify if it is managed directly by the organisation, available to support any worker organisation, and if workers understand whether such financing could be available to any worker organisation they choose to form. Auditors should also determine if workers are able to organize assemblies and/or elections for particular organisations or representation roles (e.g. representing workers to management on matters related to SA8000 - verify that workers conduct these activities of their own volition and that management remains neutral).

### **3. Access to Information**

Auditors should verify that trade union representatives have been given the opportunity to present their organisation during worker assemblies and at other times to workers and that they have access to their members during workers' free time. Where workers live on organisation property, typically in guarded residences, auditors should learn how this is arranged and verify workers freedom of movement and interaction with trade union representatives. Auditors should also verify that, and how, workers are effectively informed about their right to choose how and whether to organize.

## 5. DISCRIMINATION

### RELEVANT SA8000 DEFINITIONS

None specific to discrimination.

### SA8000 REQUIREMENTS

- 5.1 The organisation shall not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination or retirement based on race, national or territorial or social origin, caste, birth, religion, disability, gender, sexual orientation, family responsibilities, marital status, union membership, political opinions, age or any other condition that could give rise to discrimination.
- 5.2 The organisation shall not interfere with the exercise of personnel's rights to observe tenets or practices or to meet needs relating to race, national or social origin, religion, disability, gender, sexual orientation, family responsibilities, union membership, political opinions or any other condition that could give rise to discrimination.
- 5.3 The organisation shall not allow any behaviour that is threatening, abusive, exploitative or sexually coercive, including gestures, language and physical contact, in the workplace and in all residences and property provided by the organisation, whether it owns, leases or contracts the residences or property from a service provider.
- 5.4 The organisation shall not subject personnel to pregnancy or virginity tests under any circumstances.

### BACKGROUND AND INTENT

#### BACKGROUND: RELEVANT INTERNATIONAL NORMS

Among the ILO's eight core fundamental conventions, two are related to workplace equality: Discrimination Convention 111 (1958) and Equal Remuneration Convention 100 (1951). These core conventions are fundamental to the rights of workers, irrespective of levels of economic development of individual member States. Convention 100 aims to eliminate wage discrimination between men and women through implementation of the principle of equal pay for work of equal value. Convention 111 prohibits discrimination on the basis of gender in employment and occupation. As of 2016, 171 countries had ratified Convention 100, and 172 countries had ratified Convention 111. There are 186 member countries to the ILO, so the high number of ratifications of these conventions indicates a common international stance against discrimination in the workplace. Additionally, they are fundamental conventions, all member States are committed to respecting the principles they enshrine under 1998 Declaration on Fundamental Principles and Rights at Work, which is also endorsed by the UN Guiding Principles.

Other international standards promoting workplace equality include:

1. Gender equality and women's rights:
  - a. UN Convention on the Elimination of All Forms of Discrimination Against Women
  - b. ILO Workers with Family Responsibilities Convention 156 (1981) and Recommendation 165)
  - c. ILO Maternity Protection Convention 183 (2000) and Recommendation 191
  - d. ILO Migration for Employment Convention (Revised) 97 (1949)
  - e. ILO Night Work (Women) Convention (Revised) 89 (1948)
2. Rights of people with disabilities:

- a. ILO Vocational Rehabilitation and Employment - Disabled Persons Convention 159 (1983)
- b. UN Convention on the Rights of Persons with Disabilities

Many countries have national legislation prohibiting discrimination based on race, sex, age, and other personal characteristics. National laws typically cover the following issues:

1. Equal opportunity in employment: An increasing number of countries outlaw gender-biased practices that compromise men or women's opportunities for employment and advancement.
2. Equal pay for equal work: The principle of equal pay for equal work is central to the promotion of equality in workplaces. Wage discrepancies between men and women still exist in a vast majority of countries, a consequence of both direct wage discrimination and also women's limited access to higher income jobs, such as positions in management. Currently, most labour legislation prohibits direct wage discrimination, yet only a few nations address the issue of unfair division of labour in their legal codes.
3. Maternity protection and promotion of family responsibilities: Many nations' legal systems offer three basic protections for women workers: maternity leave, cash benefits payable during leave, and employment security. Not all workers, however, are eligible for such protections. In some countries maternity leave applies only to workers in the private and most countries have not yet extended the legal protection to migrant workers, part-time workers, or home workers. Moreover, only recently have some countries granted paternal leave.
4. Occupational health and safety: A number of national laws protect women from certain categories of work which might pose a danger to women's health and safety. Korea and China, for example, require special protection for women engaged in hazardous work, night work, underground work, and work during pregnancy and/or while nursing. In general, despite legislated anti-discrimination measures in various countries, discrimination in the workplace persists. Enforcement mechanisms set up by national governments are often inadequate, particularly regarding the application of national laws in the private sector.

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## INTENT OF THE STANDARD

SA8000 seeks to ensure that organisations practice equal and respectful treatment for all personnel in all matters. The organisation is required to hire workers only on the basis of their job-related competence, attributes, or skills. Organisations are not permitted to penalize workers or treat workers in any different manner due to bias. The organisation should demonstrate that it employs, trains, promotes, and compensates workers solely on the basis of their job performance. The standard also supports workers' right to a workplace free from all types of verbal, physical, or sexual harassment and other discriminatory practices.

As for all of the SA8000 Standard, for non-discrimination standards the organisation is expected to comply with the provision most favourable to workers among the requirements of SA8000, national and other applicable laws, prevailing industry standards, and other requirements to which the organisation subscribes. This is the case even when applied in nations and situations where discrimination may be honoured locally as an unquestioned tradition. In some cases even national law may reflect these biases, such as statutes that permit men to earn more money than women workers when performing the same or equal tasks. No matter the source of discrimination, or whether it is deeply entrenched in the culture, a facility cannot meet SA8000 requirements without strictly applying the anti-discrimination provisions of the Standard.

The organisation's passive practices that result in discrimination are still discriminatory and in violation of SA8000. For example, not questioning the high degree of dominance of one ethnic group over another in the ranks of senior management may well be a symptom of discriminatory practices.

"Family responsibilities" and "marital status" as categories that are protected from discrimination are included specifically to strengthen protections for female job applicants and workers. Family responsibility typically refers to a woman's children, and marital status usually applies to wives, since these factors are often used to eliminate a female job applicant from consideration or as the basis for penalizing a woman worker. Since the status of having children or being married is commonly used solely against women, the specific inclusion of "family responsibilities" is intended to ensure an even-handed approach towards treating female and male workers without bias. For example, a female worker should not be penalized for returning home to care for a sick child. Male workers should also not suffer discrimination on the grounds of their family responsibilities or marital status, but this provision recognizes the fact that these factors are typically used to discriminate against female workers.

It should be noted that 'age' is not included in SA8000 5.2 (although it is in SA800 5.1), since there are no "tenets or practices" specific to age.

Lastly, it should be noted that the term 'discrimination' in SA8000 alludes to unjust distinction, exclusion, or preference which has the effect of nullifying or impairing equality of opportunity or treatment. 'Positive discrimination' (as invoked by some national laws) in favour of people from certain underrepresented groups would be permitted and is considered non-discriminatory, for example: laws and regulations in favour of women, indigenous people, or other minority groups who historically have not had equal opportunities.

## IMPLEMENTATION GUIDANCE

SA8000 requires organisations to implement an effective management system to manage social performance for Elements 1-8. Please refer to [Section 9](#) for detailed guidance on the management system requirements (SA8000 9. Management System). The components of an effective management system are:

1. *Policies, Procedures and Records*
2. *Social Performance Team*
3. *Identification and Assessment of Risks*
4. *Monitoring*
5. *Internal Involvement*
6. *Complaint Management and Resolution*
7. *External Verification and Stakeholder Engagement*
8. *Corrective and Preventive Actions*
9. *Training and Capacity Building*
10. *Management of Suppliers and Contractors*

*The organisation should develop a management system to effectively meet the SA8000 performance requirements for SA8000 5. Discrimination.*

### **1. Discrimination Prohibited at Every Stage of Employment**

As noted in SA8000 5.1, discrimination is prohibited at every stage of employment and the organisation should establish effective non-discriminatory practices in hiring, remuneration, access to training, promotion, termination and retirement.

- a. Hiring: The prohibition against discrimination begins with the hiring process. For example, when advertising job openings, the organisation should use only language relating to the job skills required for the position, never any requests for a specific gender or age group. SA8000 prohibits discrimination even when it is indirect, unintended, or accepted by tradition (e.g., hiring male workers as fruit pickers or leather tanners and females as fruit processors or sewing machine operators).
- b. Promotions: Ensuring non-discrimination in selecting senior managers and workers at all levels should begin with establishing diversity goals and plans to meet those goals in all job categories. In regard to promotions, for example, the organisation that has only male senior managers is seen as a sign that something is lacking either in the access of women to the training, mentoring, or other advantage given to men or that women are not being evaluated for promotion in the same manner as their male co-workers.

If the organisation does not have evidence of a pattern of discrimination but has women in positions at all levels except for the most senior levels, it should take proactive steps to remedy this imbalance. The organisation should try to change this dynamic and question why there are no women in high positions. In addition, ensuring equal opportunity requires equal access to training and non-discriminatory job descriptions. This also relates to requirement 9.1.3 of the Standard, which states that organisations should prominently display the requirements of the SA8000 Standard in the workplace and in organisation-provided residences, whether owned, leased or contracted from an external, third party service provider.

- c. Parental Leave: In most countries and societies, parental leave encompasses only maternity leave; however, some countries and companies are re-examining existing policies to include paternity leave as well. These advancements are changing conversations around parenting and gender dynamic in the home, and are encouraged. However, most countries and organisations are not at that level of progress in this areas. Therefore, SA8000 primarily focuses on maternity leave. Specifically, the lack of maternity leave in an organisation constitutes a form of discrimination. In many countries, national law allows for maternity leave absences, deeming them compulsory and a right of the mother, and require the organisation to continue paying all or a portion of the mother's normal compensation during that time. Organisations are obliged to meet applicable legal requirements and benchmark their policies against industry standards or collective bargaining agreements in the sector. If the organisation defines production bonuses based on attendance, maternity leave cannot be counted as an absence; rather production bonuses based on attendance should continue for workers while they are on maternity leave.
- d. Proactive Measures: Throughout the employment process, the organisation should take proactive measures to meet the requirements against discrimination, as required by SA8000 5.1. Each organisation should have a proactive anti-discrimination strategy. The organisation can include many different types of activities in its strategy. The use of gender, ethnic or caste-neutral job advertisements is just the beginning of the organisation's duty to provide non-discriminating work opportunities. Some examples of proactive measures include:
  - i. Organisations can add female or those from what are considered lower castes or minority ethnicities to an interviewing team to help ensure equal access to employment. Using the same type of integrated team to review workers' performance or promotion possibilities would again be likely to result in reduced discrimination.
  - ii. The organisation could conduct active outreach to recruit job applicants with disabilities when they meet the job qualifications.
  - iii. Recruitment and employment preferences can also be successfully applied to other categories of workers, particularly those excluded from certain types of jobs by deeply rooted cultural norms.

The organisation has the responsibility not to perpetuate these unspoken but nonetheless widely applied social rules.

**2. Non-interference with the exercise of personnel's rights to observe tenets or practices**

Another important element of SA8000's requirements regarding discrimination is that personnel should be free from interference with their rights to observe tenets and practices. This includes any reasonable tenet or practice permitted under law that is not unreasonably detrimental to the interests of the organisation and is not directly harmful or antagonistic towards other personnel. Examples would include personal choices with respect on to physical appearance, clothing, headwear, worshipping practices, language, disability devices or activities outside of the workplace.

**3. Prohibition of threatening, abusive, exploitative or sexually coercive behaviour**

SA8000 5.3 prohibits any behaviour that is threatening, abusive, exploitative or sexually coercive, including gestures, language and physical contact, in the workplace and in all residences and property provided by the organisation, whether it owns, leases or contracts the residences or property from a service provider. A key part of the organisation's prohibition against harassment practices should be its creation and monitoring of a work culture that respects personnel at all levels. As part of that activity, the organisation needs to create a non-threatening work environment. Such an environment would be free of intimidation, threats, teasing, or innuendos as well as discriminatory statements, or other suggestive or provocative materials such as those depicting ethnic/racial bias or pornography. Because sexual harassment is widespread (in both overt and subtle forms) the organisation should develop and effectively communicate clear policies and procedures for reporting, investigating, and disciplining offenders. This prohibition also applies to union members, representatives of workers and any personnel engaged in organising workers, as noted by SA8000 4.3.

**4. Pregnancy, Virginity or Other Health Tests**

As required by SA8000 5.4, the organisation is prohibited from subjecting its workers to pregnancy or virginity tests under any circumstances. Open and effective communication is key; if workers understand that certain precautions and protections are in place for their benefit, and they are confident that they would not be fired or demoted for being pregnant, then they would be more likely to inform the organisation's management of their condition in a timely manner. Additionally, the requirement of any personal health tests is considered discriminatory under SA8000 unless: a) it is mandated by law, or b) the information is necessary to protect other workers or clients. For example, a medical test to monitor health impacts of chemical exposure in the workplace would be allowable since it protects the health of the workers, whereas an HIV test is irrelevant in most workplaces and would likely only result in discrimination. Furthermore, if medical tests are mandatory by law, they might not be considered discriminatory, if: a) the information is handled according to government requirements; b) results are kept confidential; and c) workers are not discriminated against as a result. It should be noted that SA8000 3.2 additionally stipulates specific health and safety protections for new, expectant and nursing mothers.

## AUDITOR GUIDANCE

Note: Certification body auditors conducting SA8000 audits are required to meet the requirements of SAAS Procedure 200:2015, [Audit Requirements for Accredited Certification Bodies for the SA8000 Program](#). This guidance is intended to provide support to auditors conducting SA8000 audits.

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## KEY ISSUES TO CONSIDER

The following are examples of issues that auditors should consider when assessing the organisation's performance with regard to discrimination. The guidance provided below is not exhaustive, nor is every item mandatory. Auditors should adapt and/or expand on this information according to the specifics of the organisation and the local context. Auditors should create a specific auditing strategy to investigate these and other identified issues for each organisation.

The main guiding principle for auditors is to check that there is equitable treatment of all personnel. Auditors should study all relevant national laws and local regulations regarding anti-discrimination issues. Auditors should keep in mind that even when legislation does not address these issues, any organisation applying to be certified under SA8000 is obligated to adopt an anti-discrimination policy and to put the necessary procedures in place.

### 1. Cultural Norms and Discrimination

The auditor should seek to distinguish between forms of discrimination and cultural norms. In some cases, forms of discrimination are culturally accepted and sometimes even enshrined in national law. For example, it may be common national practice for the organisation to pay women less than men who are performing the same duties; however, this is not acceptable under SA8000.

- a. Division along discriminatory lines: Culturally entrenched workforce discrimination issues are common. For that reason, auditors encountering such cases should conduct background research and broad-based, off-site interviews with workers and other community members to verify that all workers, especially female or minority workers, receive equitable treatment and have access to equal opportunities in all stages of employment, including hiring, remuneration, benefits, bonuses and promotions. Sometimes there are solutions to such cultural discrimination issues which respect cultural norms, but they may not always be quickly or easily achieved. For example, in the 1990s, auditors observed multiple factories in Pakistan that addressed gender discrimination while still respecting religious segregation laws by providing equal jobs with equal pay for men and women and establishing separate work centres for men and women. However, these practices must be carefully monitored to ensure that they do not result in inadvertent discrimination.
- b. Two-way discrimination in one factory: Many factories are dominated by either a male or female workforce, reflecting social or historical divisions of labour. For instance, in many apparel factories, auditors may find that 70% to 80% of the workforce is female. Although such a social division of labour does not always indicate discrimination, it does merit further analysis. Auditors should be aware that in many cases organisations prefer to hire female workers because they are seen as less expensive than male workers and are reportedly more obedient. It is not uncommon to find a factory with a majority female workforce that discriminates against unskilled male workers in favour of women, while they also discriminate against skilled female workers in favour of men (e.g. men more quickly get promoted to a maintenance team or to be line supervisors).
- c. Positive discrimination: One way to check on management's commitment to stated policies of non-discrimination is to look for indications of positive discrimination: the organisation's policies or programs to counter entrenched discrimination practices or norms in the society in which the organisation is operating. The organisation may need to make reasonable adjustments based on individual needs or challenges to ensure every worker has the same opportunity to perform his or her role well. Auditors should be aware of these laws for each country where they work.
- d. Changing entrenched gender discrimination norms: Auditors should always look for indicators that the organisation has more than just a passive policy of non-discrimination; otherwise organisations may be

- perpetuating pre-established discriminatory norms, whether intentionally or unintentionally. For example, a male worker may be promoted more quickly because he is more assertive and confident in the workplace, while a woman is taught that it is unfeminine to be assertive so she does not speak up and is passed over for a promotion by management. Alternatively, in some cultures, certain skills may be passed from father to son, so women have no way to learn the skill. The organisation's management is not purposely discriminating in these types of situations, but can take actions to address the underlying discriminatory practices in the society. Management can meet with women, or individuals who they believe may be experiencing discrimination to understand their perspective and address the root cause of the issue. The organisation invest more in professional development or empowerment of women who are traditionally socialized to be less assertive to help them progress in the workplace and gain access opportunities for advancement. The organisation could also sponsor a training program for women or change the gender division of labour to allow women to gain skills on the job. In such cases where discrimination is entrenched in cultural norms or traditional opportunities, auditors should look for proactive organisation policies and programs aimed at distributing opportunities for advancement more equally. In this way, management can avoid falling into a perpetuation of entrenched discriminatory norms. In cases where gender discrimination appears to correlate with skill levels or assertiveness, auditors should look carefully at worker training programs and opportunities for women to gain the appropriate experience and/or skills.
- e. Equal pay: One of the anti-discrimination wage requirements is that equal pay be given for work of equal value. Assessing the organisation's compliance requires a review of the types of work performed by the varying workers as well as a review of the organisation's policies and practices to ensure that equal access to all jobs by all workers is being practiced. All too often the pay of women who are segregated physically or by job category from male workers is not equal to that of their co-workers. Such circumstances should be carefully investigated and evaluated, to assure that the organisation communicates transparently its job categories, related qualifications, and pay scales to all workers.

## 2. **Discrimination against Pregnant Women**

Discrimination against pregnant women is a serious form of gender discrimination. Practices such as required pregnancy testing, required use of contraception as a condition for employment, or pressure to quit when a pregnancy comes to the attention of management, are unacceptable under SA8000. Even in situations where women are allowed to continue working until they give birth, they are sometimes denied their legally required postpartum benefits and/or may not be allowed to nurse after returning to work, which is unacceptable under SA8000. In addition to evaluating potential discriminatory restrictions on women relating to pregnancy, auditors should also be aware of protections that should be given to pregnant women. The organisation should have protections in place to ensure that the principle of "non-discrimination" is not used as a means for increasing a pregnant worker's physical workload. This tactic is often used to pressure women to resign and forfeit their maternity leave benefits.

## 3. **Sexual Harassment**

Sexual harassment is an extreme form of discrimination. Though sexual harassment is illegal in many countries, it is widespread in workplaces worldwide. Examples of sexual harassment include but are not limited to: unwelcome sexual advances; unwanted touches; suggestive or lewd remarks; requests for sexual favours; derogatory or pornographic posters, pictures or drawings; or permitting a generally gender-harassing environment. Though sexual harassment is typically thought to be perpetuated against female workers, it can be perpetuated against a worker of any gender or sexual orientation, and all types of harassment are prohibited under SA8000. In order to ensure the safety and dignity of all workers,

especially women, management should promote a culture of respect for all and zero-tolerance for mistreatment and degrading attitudes or behaviour. Incidents of sexual harassment should be dealt with promptly and effectively, leaving no doubt about the willingness of management to discipline perpetrators in a way that would deter future incidents. The organisation should have a discreet, effective complaint procedure in place. A trusted person, such as an appointed counsellor, can encourage the reporting of sexual harassment incidents without fear of being dismissed or penalized. The same types of protections and complaint procedures should be in place to protect all workers from all forms of harassment.

Auditors should study national legislation and/or regional regulations concerning sexual harassment before conducting audits. Primary forms of investigation include checking organisation records to determine whether complaints have been lodged as well as interviewing complainants or victims of sexual harassment and peer workers. Auditors should also determine whether the organisation has an explicit policy and defined disciplinary measures in cases of sexual harassment; whether such policy and measures have been communicated to all personnel; and whether any cases have been processed and resulted in the appropriate discipline.

#### **4. Discrimination against Migrant Workers or Ethnic Minorities**

In many places, migrant workers and members of ethnic minorities are especially vulnerable to discrimination in terms of employment opportunities and working conditions. Some migrants are foreign, some are domestic but similar issues arise. Immigrants and members of ethnic minority groups may not have access to legal protection, which may be available only to citizens or permanent residents. Poverty, lack of proficiency in the local language, and cultural misunderstanding may also invite prejudice and unfair treatment.

If the organisation hires migrant workers, auditors should verify that it has a policy and takes appropriate action to ensure equality of opportunity and treatment between migrant and local workers and members of all ethnic groups, regardless of their employment status (temporary, contracted, etc.). For instance, the organisation is required to ensure that migrant workers get equal treatment with respect to remuneration, career advancement, legally required social security, overtime arrangements, and trade union rights, among others. In countries where government and private benefits (e.g. social security, health insurance, unemployment insurance etc.) are not available to migrant workers, organisations need to consider how to ensure equitable treatment and access to opportunity when considering the employment of migrant workers.

#### **5. Discrimination based on sexual orientation or gender identity**

Lesbian, Gay, Bisexual and Transgender (LGBT) individuals are discriminated against through the world, and often victim to violence solely based on their orientation or identity. SA8000 prohibits discrimination, harassment or any type of abuse against workers due to their sexual orientation, gender expression or gender identify, or perceptions of such, during any part of the employment process. Organisations are prohibited under any circumstances from requiring individuals to disclose their sexual orientation. Auditors should assess the organisation's practices regarding such individuals and use the interviews to identify any instances of discrimination or abuse. Generally, there are four types of discrimination against LGBT individuals that auditors should assess organisations' actions to prevent.<sup>13</sup>

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<sup>13</sup>ACAS, "Sexual Orientation Discrimination: Key Points for the Workplace." Available at: <http://www.acas.org.uk/media/pdf/3/q/Sexual-orientation-discrimination-key-points-for-the-workplace.pdf>

- a. Direct discrimination: Practices that specifically treat an individual differently because of their actual sexual orientation, gender expression or identity, their perceived sexual orientation, gender expression or identity, or their association with individuals of other sexual orientation, gender expression or identity.
- b. Indirect discrimination: Practices that inadvertently cause discrimination against individuals based on their sexual orientation, gender expression or identity (e.g. health insurance policies that do not apply for same-sex couples).
- c. Harassment: Unwanted conduct that violates an individual's dignity or creates an intimidating, hostile or offensive environment for the individual because of sexual orientation, gender expression or identity.
- d. Retaliation: Treating individuals unfairly because they made or supported a complaint about discrimination due to sexual orientation, gender expression or identity.

Organisations should have policies and procedures in place to prevent all of these types of discrimination in the workplace and throughout the employment process, including recruitment and hiring, promotions and wages, training, complaint management system and dismissal. As with all other types of discrimination, auditors should keep in mind that even when legislation does not address these issues, any organisation applying to be certified under SA8000 is obligated to adopt an anti-discrimination policy and to put the necessary procedures in place.

## 6. Age Discrimination

SA8000 forbids discrimination against older workers, though only a few countries have explicit legislation on this issue. Stereotypes of older people are numerous. Older people are said to be less productive, more vulnerable to illness and injury and less adept at change and learning new techniques. Often these perceptions are not pertinent to the actual job requirements, nor do they reflect the actual abilities of the individual. One method for auditors to determine whether age discrimination exists is to review job postings and position descriptions to identify the organisation's stated requirements for a particular job category. When the organisation imposes age guidelines/limits on candidates they wish to consider for a particular position, auditors should consider this discriminatory unless the organisation can clearly demonstrate such limits are consistently and legitimately justifiable with respect to job-related demands.

## 7. Discrimination against Trade Unions

Discriminatory action against a worker based on union membership and related activity is a chronic problem in workplaces around the world, in both developing and developed countries. Of all the forms of action against workers, dismissal is the most obvious deterrent to worker organizing and carries serious consequences for workers. Auditors should be aware that there are many subtler forms of anti-union discrimination. For instance, the organisation may offer financial or other incentives to a group of workers to denounce their union membership. Or the organisation may set up a workers' association to carry out trade union-like activities in order to phase out an existing independent union. These actions violate ILO principles on trade union rights (See also the SA8000 Section 4. Freedom of Association and Right to Collective Bargaining, above).

## 8. Discrimination against Workers with Disabilities

People with disabilities are especially vulnerable to workplace discrimination, particularly during the hiring process. Globally, people with disabilities have significantly lower employment rates than people without

disabilities.<sup>14</sup> As noted above, Convention 159 on Vocational Rehabilitation and Employment (Disabled Persons) establishes guidelines for member countries to promote the employment and equal treatment of workers with disabilities. Key concepts for guiding auditors' verification of non-discrimination against persons with disabilities are laid out in Article 4, which states: "The [organisation's] policy shall be based on the principle of equal opportunity between disabled workers and workers generally. Equality of opportunity and treatment for disabled men and women workers shall be respected. Special positive measures aimed at effective equality of opportunity and treatment between disabled workers and other workers shall not be regarded as discriminating against other workers." Thus, positive discrimination can also be used to create more equal opportunities for people with disabilities in the workplace. The organisation should specifically make reasonable accommodations to enable people with disabilities to function in the workplace and perform job duties, such as changing the height of a desk for a worker in a wheelchair or providing specific equipment for workers with hearing impairments. Similar to auditing for other types of discrimination, auditors should assess the degree to which the organisation is proactively making the workplace accessible to people with disabilities. Organisations should ensure fair and equal treatment of people with disabilities during all steps of the employment process: <sup>15</sup>

- a. Fair recruitment and selection processes to enable people with disabilities to gain access to employment opportunities.
- b. Training and professional development opportunities should be made equally available to workers with disabilities as other workers, and should include reasonable accommodations as needed. Training should be available in formats that are accessible for people with disabilities, such as large-print documents or through sign language interpreters.
- c. The organisation may need to make reasonable adjustments to working processes and environments to enable workers with disabilities to perform to their full ability and to meet the requirements of their position.
- d. Organisations should make sure that workers with disabilities have the same degree of access to organisation communications as other workers. Organisations may have to make reasonable adjustments to achieve this, such as enabling wheelchair access to meeting rooms and providing documents in a suitable format for workers with visual impairments.

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## WORKER INTERVIEW STRATEGY

Questions related to discrimination can be incorporated into the general interview with workers. However, if auditors receive complaints or have reason to believe that discrimination is an issue, special interview sessions should be arranged. In conducting interviews with workers, auditors can ask questions about the positions they have held and whether their gender, race, pregnancy status, territorial origin, or other personal characteristics have affected and/or continue to affect their application or advancement. Offsite interviews may be especially useful in this area.

During interviews with both workers and managers, auditors should be careful to put the answers in context. For example, during interviews at the organisation in Latin America, a disproportional number of supervisors were men, but the women reported that the men were promoted because they have more education. Upon further

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<sup>14</sup>World Health Organization, "World Report on Disability, Chapter 8: Work and Employment." Available at: [http://www.who.int/disabilities/world\\_report/2011/chapter8.pdf](http://www.who.int/disabilities/world_report/2011/chapter8.pdf)

<sup>15</sup> Resources include: Business Disability Forum (<http://www.businessdisabilityforum.org.uk/>), Global Applied Disability Research and Information Network on Employment and Training (<http://www.gladnet.org/>), ILO Disability and Work (<http://www.ILO.org/global/topics/disability-and-work/lang--en/index.htm>).

review during management interviews, however, auditors found that the men (who started with the same education levels as the women) received additional training and had more opportunities to fulfil a greater variety of jobs in the facility – thus facilitating their promotion and confirming discriminatory training and promotion.

The victims of workplace gender discrimination are often women. It can help if an auditing team includes female members, especially for the interview process, because women workers may feel more comfortable talking with a female interviewer about sensitive topics such as sexual harassment or abuse. Similarly, the presence of auditors with a similar background of those who are discriminated against, especially those who fluently speak the relevant language or dialect are also extremely useful during interviews because they are typically better able to identify nuances of discrimination than those auditors who do not possess that background.

Where an interview reveals allegations of discriminatory practices, the auditor should investigate through an expanded interview sample (including with management). It is common to find that interview evidence gathered from different sources is contradictory and that physical or recorded evidence triangulation is not possible (or is minimal). Facts gathered through the interview process may also be coloured by personal opinions, beliefs and emotions. In such situations, extreme care should be taken to ensure that interviewers do not exacerbate what may already be a high-potential-conflict situation and audit conclusions (based on audit process requirements) are presented factually and impartially.

## 6. DISCIPLINARY PRACTICES

### RELEVANT SA8000 DEFINITIONS

None specific to disciplinary practices.

### SA8000 REQUIREMENTS

- 6.1 The organisation shall treat all personnel with dignity and respect. The organisation shall not engage in or tolerate the use of corporal punishment, mental or physical coercion or verbal abuse of personnel. No harsh or inhumane treatment is allowed.

### BACKGROUND AND INTENT

#### BACKGROUND: RELEVANT INTERNATIONAL NORMS

The ILO does not have a specific convention addressing workplace disciplinary practices. However, three United Nations agreements establish the international normative basis for the SA8000 Standard requirements on disciplinary practices: the Universal Declaration of Human Rights (1948), the International Covenant on Civil and Political Rights (1966), and the Declaration on the Protection of All Persons from Being Subjected to Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (1975).

Aiming to protect both the dignity and the physical and mental health of any individual, these instruments explicitly forbid torture or cruel, inhuman or degrading treatment or punishment anytime by any authority, even in situations of public emergency.

The vast majority of the UN member states have ratified these treaties, indicating their commitment to abolish any practice that may compromise or damage an individual's physical and mental well-being. Many countries have specific national legislation making abuse in the workplace a criminal offense.

#### INTENT OF THE STANDARD

This requirement of SA8000 is intended to protect personnel from any type of abuse or inhumane treatment in the workplace. All actions taken by the organisation should demonstrate respect for workers' mental, emotional and physical well-being. Certain disciplinary practices that are recognized as necessary for maintaining orderly operations are allowable, but they must maintain this level of respect for personnel's well-being. Any legitimate disciplinary actions taken should be applied consistently, and not arbitrarily, to every worker, without any discrimination. It is important to note that the Standard includes all personnel employed by the organisation itself, as well as by its suppliers, sub-contractors, sub-suppliers and home workers.

Certain prohibited disciplinary actions, such as corporal punishment, mental or physical coercion and verbal abuse are widely practiced and considered to be acceptable in many cultures. This cultural acceptance does not alter the prohibition of these actions by SA8000 or by national law (if applicable).

Although not specified in SA8000 6.1, disciplinary fines or deductions for disciplinary purposes are prohibited under SA8000 8.2, unless allowed by national law *and* there is a collective bargaining agreement in place that permits the practice. Thus, SA8000 generally prohibits the use of fines or deductions to deter or punish lateness,

absenteeism, failure to complete quotas; operational mistakes; and even bathroom breaks that are longer than allowed. Though the organisation may choose to give bonuses to workers for outstanding performance, it is not appropriate to impose fines and wage deductions to discourage negligence or mistakes. Because wages are remuneration for the employees' normal service, once a worker provides the service, the organisation has an obligation to pay for it. Wage deductions for disciplinary purposes therefore constitute a failure of this obligation and are a violation of the workers' basic right to be paid for the labour they provide. For this reason SA8000 (like other voluntary workplace codes) prohibits fines and wage deductions for disciplinary purposes.

## IMPLEMENTATION GUIDANCE

SA8000 requires organisations to implement an effective management system to manage social performance for Elements 1-8. Please refer to [Section 9](#) for detailed guidance on the management system requirements (SA8000 9. Management System). The components of an effective management system are:

1. *Policies, Procedures and Records*
2. *Social Performance Team*
3. *Identification and Assessment of Risks*
4. *Monitoring*
5. *Internal Involvement*
6. *Complaint Management and Resolution*
7. *External Verification and Stakeholder Engagement*
8. *Corrective and Preventive Actions*
9. *Training and Capacity Building*
10. *Management of Suppliers and Contractors*

*The organisation should develop a management system to effectively meet the SA8000 performance requirements for SA8000 6. Disciplinary Practices.*

### **1. Purpose of Disciplinary Actions**

SA8000 recognizes that disciplinary measures are necessary for organisations to maintain orderly operations. Implementation of the standard criteria related to disciplinary practices begins with the premise that the primary objective of such measures should be to enable organisations to promote a high standard of personnel conduct and performance, not to punish, humiliate, or intimidate personnel. Disciplinary actions should not be taken as retaliation against any worker for submitting a grievance or complaint in the workplace.

### **2. Progressive Course of Action**

In not tolerating corporal punishment, mental or physical coercion, verbal abuse, harsh or inhumane treatment, SA8000 implicitly encourages a progressive course of respectful disciplinary action aimed at remediating unacceptable behaviour or performance, beginning with verbal or written warnings before more serious disciplinary action is taken.

### **3. Alternative Discipline Methods**

Alternative disciplinary methods that fully respect worker's basic rights and dignity are permitted under SA8000. An acceptable progression of alternative disciplinary methods may be as follows:

- a. In the case of minor infractions, managers may use an oral warning to notify the worker that his/her conduct or level of performance is unacceptable.

- b. If the unsatisfactory performance or conduct continues or becomes more serious, managers may issue a written warning identifying the details of the infraction that led to the warning. The written warning may also contain a request for corrective action, a timeline for correction, and the consequences if the worker fails to comply with the request.
- c. If the worker fails to improve, the manager may issue a final written warning, which may specify the continued misconduct or poor performance by the worker and may note the possibility of suspension or even dismissal.
- d. As a last resort, management of the organisation may suspend, demote, or dismiss a worker. The worker, however, should be given the opportunity to appeal the decision before such action is taken.
- e. Organisations should maintain disciplinary records (per SA8000 9.1.6). Records should detail violations of organisational policies/requirements warranting disciplinary action and all subsequent actions/outcomes, (including details of disciplinary measures imposed; monitoring/follow-up actions undertaken and the basis for, and outcomes of, appeals).

#### 4. Worker's Rights in the Disciplinary Process

When the organisation takes disciplinary action, the worker should have access to the details of the allegations (or infractions) and have the right to respond to and/or appeal any disciplinary decisions without any negative repercussions. Workers should also have the right to consult with and be represented either by a trade union or by their selected representative(s) when evaluating and contesting disciplinary decisions.

Additionally, to promote the fairness and effectiveness of disciplinary procedures and actions, the organisation should provide workers with channels to express their concerns and seek redress of their grievances through a complaint management system (see 9.6 Complaint Management and Resolution).

#### 5. Non-Discriminatory Practices

If disciplinary measures are required, the organisation should apply them consistently and fairly among all personnel. Personal characteristics, such as race, gender, territorial origin, religion, etc. should not influence/impact the investigation process, or the nature/severity of any potential disciplinary action (see SA8000 5. Discrimination).

#### 6. Disciplinary Fines and Deductions

As noted above, the organisation is not permitted to impose disciplinary fines or deductions unless specific additional requirements are met. (SA8000 8.2 refers).

### AUDITOR GUIDANCE

Note: Certification body auditors conducting SA8000 audits are required to meet the requirements of SAAS Procedure 200:2015, [Audit Requirements for Accredited Certification Bodies for the SA8000 Program](#). This guidance is intended to provide support to auditors conducting SA8000 audits.

### KEY ISSUES TO CONSIDER

The following are examples of issues that auditors should consider when assessing the organisation's performance with regard to disciplinary practices. The guidance provided below is not exhaustive, nor is every item mandatory. Auditors should adapt and/or expand on this information according to the specifics of the organisation and the

local context. Auditors should create a specific auditing strategy to investigate these and other identified issues for each organisation.

### 1. Discipline Versus Abuse

All organisations, from government agencies to family businesses, utilize certain disciplinary measures to maintain orderly and effective operations. In many workplaces around the world, however, disciplinary measures take the form of harsh punishment and abusive behaviour. In certain manufacturing facilities, for example, corporal punishment, mental or physical coercion, and especially verbal abuse are still used. Even though some cultures may tolerate such harsh disciplinary actions, these practices may still violate those countries' national laws and are considered improper discipline under SA8000. Auditors should seek to determine if such practices are occurring in the organisation through worker interviews.

Additionally, while the organisation may follow a set process on disciplinary action, it would be worthwhile for auditors to consider the number of such cases in a given period. Many organisations make it a regular practice to keep issuing warnings and charge sheets to workers, but auditors should investigate the underlying current of dissatisfaction and seeks to determine the effectiveness of the organisation's communication processes.

### 2. Mental (Psychological) Abuse

In addition to physical abuse, mental or psychological abuse is a chronic problem in some workplaces. It is characterized by the intentional use of power, including verbal abuse, isolation, sexual or racial harassment, intimidation, threat of physical force, etc., against an individual or a group of workers. As with physical abuse, mental abuse can result in harm to employees' physical, mental, moral or social well-being, which in addition to being detrimental to the individual(s) concerned, can also reduce worker morale and productivity. Auditors should seek to determine if such practices are occurring in the organisation through worker interviews.

### 3. Disciplinary Fines and Deductions

As mentioned above, these are not allowed unless permitted by national law and there is a collective bargaining agreement in place. Auditors should review payment records and payroll, as well as probe through worker interviews, to determine if such practices are taking place.

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## WORKER INTERVIEW STRATEGY

Worker interviews regarding disciplinary practices can be incorporated into the general interview process or can be treated as a separate session depending on the particular situation at the organisation being audited.

The topic of disciplinary practice may cover some sensitive issues such as physical abuse or sexual harassment; therefore, auditors should take all appropriate precautions to guarantee workers' safety from any potential retaliation due to their participation in the audit, while encouraging them to share their knowledge and genuine feelings about the work environment.

In situations where worker intimidation is suspected, it may be helpful for the auditor to collaborate with local organisations that have previously established a rapport with the workers in order to win workers' trust. For instance, certification bodies may invite local organisations to join the auditing team to conduct interviews with workers.

Questions should cover key aspects of discipline, such as workers' knowledge of disciplinary procedures, whether workers have opportunities to respond to or challenge disciplinary decisions through an appeal process, whether workers feel comfortable raising grievances, etc. Questions should be asked in a way that makes the workers feel relaxed. For instance, some workers, particularly female workers, may find it difficult to talk with auditors about any sexual harassment they may have experienced. In this case, auditors may first ask if they saw or heard about any cases involving sexual harassment, physical or verbal abuses. Then the auditor might ask if they have experienced such abuses themselves. Different cultures may have different terminologies for issues as "sexual harassment," "physical abuse," "mental coercion" and so on. Auditors should make sure that the workers understand the meaning that the auditor is trying to convey before formal questions are asked.

## 7. WORKING HOURS

### RELEVANT SA8000 DEFINITIONS

1. **Collective bargaining agreement:** A contract specifying the terms and conditions for work, negotiated between the organisation (e.g. employer) or group of employers and one or more worker organisation(s).
2. **Worker organisation:** An autonomous voluntary association of workers organised for the purpose of furthering and defending the rights and interests of workers.

### SA8000 REQUIREMENTS

- 7.1 The organisation shall comply with applicable laws, collective bargaining agreements (where applicable) and industry standards on working hours, breaks and public holidays. The normal work week, not including overtime, shall be defined by law but shall not exceed 48 hours.
- 7.2 Personnel shall be provided with at least one day off following every six consecutive days of working. Exceptions to this rule apply only where both of the following conditions exist:
  - a. National law allows work time exceeding this limit; and
  - b. A freely negotiated collective bargaining agreement is in force that allows work time averaging, including adequate rest periods.
- 7.3 All overtime work shall be voluntary, except as provided in 7.4 below, shall not exceed 12 hours per week and shall not be requested on a regular basis.
- 7.4 In cases where overtime work is needed in order to meet short-term business demand and the organisation is party to a freely negotiated collective bargaining agreement representing a significant portion of its workforce, the organisation may require such overtime work in accordance with such agreement. Any such agreement must comply with the other requirements of this Working Hours element.

### BACKGROUND AND INTENT

#### BACKGROUND: RELEVANT INTERNATIONAL NORMS

The ILO has published numerous conventions specifically addressing the issue of working hours, which apply to a variety of industrial undertakings and workplaces, including but not limited to Convention 1 (Hours of Work – Industry) and Recommendation 116 (Reduction of Hours of Work). According to these conventions and SA8000, the general rule is that workers cannot work more than eight hours a day, 5 or 6 days a week, for a maximum of 48 hours a week. Workers should be provided certain rest periods and overtime is permitted under certain circumstances.

Working hours are generally governed by national laws and regulations and vary considerably from one country to another. For example, China's 1995 National Labour Law sets a maximum for overtime at three hours per day and 36 hours per month, while Vietnam's Labour Act of 1994 sets a daily overtime limit of four hours and an annual limit of 200 hours. Many other countries' national laws, including Italy, India, Indonesia, Pakistan, Thailand, Brazil, and Mexico include explicit limits on hours worked within a particular period.

The nine countries mentioned above also have differing specific requirements on voluntary overtime: Mexican law states that workers are not obligated to work overtime under normal circumstances; Italian and Chinese law

require prior negotiation with trade unions or workers' representatives; Brazilian law requires workers' written agreement on overtime.

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## INTENT OF THE STANDARD

SA8000 aims to eliminate widespread abuse of worker's rights related to working hours, particularly the widespread use of systemic and/or involuntary overtime. Research has established that the accident rates in the workplace and negative health impacts on workers increase as working hours increase, and are significantly higher once working hours reach or exceed 60 hours in one week.<sup>16</sup> Long work hours and/or unpredictable work schedules can have a detrimental effect on communities and families. Therefore, working hours are limited by SA8000 in order to reduce accident rates, promote better work-life balance; and lessen workers' stress-related occupational conditions. The SA8000 Standard explicitly limits the work week to 48 hours (or less, if required by local law) with a maximum of 12 hours of voluntary overtime per week and at least one day off after every six days worked. The requirements also protect workers' rights to breaks and public holidays, (as required by local law). Workers should not be expected to work on public holidays unless they receive premium compensation for those hours worked (refer to SA8000 8.4 – Remuneration). Exceptions to SA8000 working hour requirements are permitted only under the strict conditions specified in SA8000 7.2 and 7.4.

In addition to complying with applicable laws, regulations and industry standards regarding working hours, the organisation is also required to abide by any applicable customer/code requirements and/or collective bargaining agreements. Also, only when a freely negotiated collective bargaining agreement is in place may an organisation apply the following exceptions to the standard's overtime requirements:

1. One potential exception to the voluntary overtime requirement is during periods of "short-term business demand" (SA8000 7.4). This exception is intended to apply only in rare and unforeseeable circumstances for which the organisation is unable to plan and is also unable to attract sufficient voluntary overtime workers with the payment of a premium rate. This includes unpredictable events, such as a weather development that significantly impairs production capabilities, a national disaster, or exceptional demand rush. It does not include predictable periods of high production volume, such as a seasonal production rush, when worker staffing requirements may be anticipated and should be incorporated into the organisation's planning process.
2. The exceptions in SA8000 7.2 and 7.4 are intended to respect fundamental working hours principles while recognizing special operational needs or conditions. Only in circumstances when both the national laws and freely negotiated collective bargaining agreements permit work time averaging (SA8000 7.2) or required overtime (SA8000 7.4), are organisations allowed to engage in such practices. Furthermore, when applying the terms "freely negotiated collective bargaining agreement" under these circumstances, it is important to utilize the correct definition and understanding of the role of "worker organisation" (See SA8000 III - Definitions).

Whether permissible overtime exceptions are invoked or not, the organisation should always endeavor to make allowances for the personal and domestic circumstances of individual workers.

Finally, the working hour provisions are intended to apply to all workers, directly and indirectly employed, as well as managers, supervisors or specialist/technical personnel (irrespective of remuneration structure or rate). Senior

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<sup>16</sup> For example: ILO, "Working Time, Health and Safety: a Research Synthesis Paper." Available at: [http://www.ILO.org/wcmsp5/groups/public/--ed\\_protect/---protrav/---travail/documents/publication/wcms\\_181673.pdf](http://www.ILO.org/wcmsp5/groups/public/--ed_protect/---protrav/---travail/documents/publication/wcms_181673.pdf)

managers who have a significant role in setting their own work schedules may not be strictly subject to SA8000's working hour limits; however, it is advisable that the organisation encourages all personnel to limit their weekly work hours to maintain a healthy work/life balance and ensure that they are able to perform productively.

## IMPLEMENTATION GUIDANCE

SA8000 requires organisations to implement an effective management system to manage social performance for Elements 1-8. Please refer to [Section 9](#) for detailed guidance on the management system requirements (SA8000 9. Management System). The components of an effective management system are:

1. *Policies, Procedures and Records*
2. *Social Performance Team*
3. *Identification and Assessment of Risks*
4. *Monitoring*
5. *Internal Involvement*
6. *Complaint Management and Resolution*
7. *External Verification and Stakeholder Engagement*
8. *Corrective and Preventive Actions*
9. *Training and Capacity Building*
10. *Management of Suppliers and Contractors*

*The organisation should develop a management system to effectively meet the SA8000 performance requirements for SA8000 7. Working Hours.*

### 1. Working Hour Recording System

The organisation should maintain time cards or another record of working hours, including overtime for all workers (permanent, contracted, or temporary), whether they are paid by the piece or by the hour, to ensure accurate monitoring of workers' working hours. Workers should personally record time they begin and end their workday (e.g. punch in and out) to ensure that the inputs for working hours records are accurate and they understand their working hours. The organisation can then monitor hours to ensure they are within the limits, and can calculate wages accurately.

### 2. Voluntary Overtime

Voluntary overtime is a key tenet of this requirement of SA8000. The organisation should, therefore, ensure that agreements related to working hours between management and workers and communication about overtime are clear about this requirement.

### 3. Hours Averaging

Work time averaging is permitted to address irregular working hour requirements only when allowed by national law and a collective bargaining agreement. In these cases, hours may be averaged over a selected period of two or more weeks and can add up to more than 48 hours in a particular week, and less than 48 hours in another week. Some countries and some industries allow for the averaging of overtime hours, such that monthly or weekly limits can be extended, provided the monthly or weekly average over a specified period of time does not exceed the prescribed limits. SA8000 7.1 and 7.3 limit working time to a maximum regular working week of 48 hours plus 12 hours overtime per week. The exception in 7.2 only provides flexibility on whether or not workers will work more than six days in a row without a day off.

#### 4. Non-Voluntary Overtime

Only when prescribed national law and collective bargaining agreement requirements of 7.4 are met may the organisation demand non-voluntary overtime. Even in such cases, the organisation is still subject to regular and overtime hours requirements set by other clauses of SA8000 (per law, but not to exceed 48 and 12 hours per week respectively) .

### AUDITOR GUIDANCE

Note: Certification body auditors conducting SA8000 audits are required to meet the requirements of SAAS Procedure 200:2015, [Audit Requirements for Accredited Certification Bodies for the SA8000 Program](#). This guidance is intended to provide support to auditors conducting SA8000 audits.

### KEY ISSUES TO CONSIDER

The following are examples of issues that auditors should consider when assessing the organisation's performance with regard to working hours. The guidance provided below is not exhaustive, nor is every item mandatory. Auditors should adapt and/or expand on this information according to the specifics of the organisation and the local context. Auditors should create a specific auditing strategy to investigate these and other identified issues for each organisation.

#### 1. General Review of Working Hours

Firstly, auditors should establish the nature of the evidence to be reviewed. Typically this comprises the means by which working hours data is collected, how it is processed and how it is aggregated and recorded. Secondly, auditors need to establish the authenticity of the hours data, associated processes, and the outputs of those processes. Audits of working hours typically demand verification of both individual hours records collected (time cards, electronic clock records, etc.) and the consolidation form of that data (payroll ledgers, payment notifications, etc.). A reasonable sampling of data and processes reviewed (including peak demand periods) should demonstrate conformance to legal and other applicable requirements to which the organisation subscribes (including internal policies and procedures) and any collective bargaining agreement that may be in place. Auditors should also verify the organisation's policies, procedures, practices and records through worker interviews. In general, auditors should establish that the organisation:

- a. has effectively communicated its working hours policies and procedures to workers;
- b. maintains adequate and accurate time records;
- c. gives workers reasonable breaks during shifts;
- d. allows workers to leave at the end of their shift;
- e. allows vacations and personal leave, in compliance with national laws and regulations;
- f. meets SA8000 requirements for a regular workweek, voluntary and limited overtime hours and one at least day off after every six days of work;
- g. takes reasonable steps to inform workers about the nature and expected duration of business circumstances that may necessitate longer working hours in order to solicit voluntary overtime work;
- h. has a transparent system for the fair distribution of overtime hours, such that refusal to work overtime does not result in the automatic withdrawal of overtime opportunity in the future;
- i. and pays overtime in accordance with local/national laws or regulations, and any overtime worked is paid at a premium rate.

## **2. Voluntary/Non-Voluntary Overtime and Work Time Averaging**

To verify the voluntary nature of overtime, auditors should review the organisation's policies and agreements between management and workers. In-depth interviews with workers are also important for auditors to verify that workers understand the policies; understand and support any agreement into which they have entered; and to determine the overtime practices currently in place.

The organisation's system for allotting overtime should also be investigated. In some cases, the organisation may have a system that penalizes anyone who declines overtime hours on one or more occasions, thus impacting the degree to which workers are voluntarily agreeing to work these hours. It is also important to ensure the system for distributing overtime is not discriminatory (see SA8000 5. Discrimination).

In cases where the organisation is party to a collective bargaining agreement freely negotiated with a worker organisation, that agreement may allow for some overtime hours to be required by management. The auditor should confirm that the collective bargaining agreement is legitimate. Auditors should review the organisation's labour agreement (where applicable) between the employer and workers regarding when or under what circumstances required overtime and/or time averaging may be invoked and to establish conformance with these agreements.

## **3. Piece Rate Pay and Incentives**

Many factories use complex and often arbitrary systems of piece rate pay and incentives based on the total production output. When the production quota is set unreasonably high, the organisation might seek to redress this situation through excessive overtime, which may not be voluntary or acceptable under SA8000. Auditors should therefore understand the mechanisms of piecework and how it is managed in the workplace being audited.

Auditors should investigate whether the organisation has any schemes for imposing excessive hours and/or underpaying workers. Auditors should distinguish between written policies on the extent to which such obligations exist and what the majority of workers believe the repercussions would be if they leave before making quota. Auditors should also investigate the extent to which workers may be taking piecework home, thus extending their hours beyond the allowable limit.

Production quotas should be reasonable and allow the majority of workers to complete quota within eight working hours a day. The organisation cannot require its workers to work more than a regular workweek, even if they do not make quota. A piece rate system should guarantee workers' at least the local minimum wage for a regular work week, and the organisation should pay any piece rate work beyond the 40-hour week (or 48-hour, depending on national laws) at a premium rate.

## **4. Production Review**

It is important that auditors have a solid understanding of the manufacturing process in order to conduct capacity and production reviews, which may be needed in order to substantiate the organisation's time records. For instance, auditors may check time cards and the number of workers employed by the facility against production records and/or overall manufacturing capacity of the facility in order to determine whether off-book overtime work, contracting, or home work are used. Where there is any suspicion that work/work hours are not being properly recorded auditors should check that the quantities of products produced at the organisation are feasible based on the number of on-site workers and home workers

reported, and the quantities are consistent with the workers' capacity to complete them in working normal hours. Based on an understanding of the local context and industry of the organisation and other research, if possible, auditors should seek to understand the organisation's processes during high and low production periods. This may help the auditor evaluate the size of the workforce, the pace of production, and whether any work is subcontracted or completed as home work.

## 5. Fatigue-Related Accidents

The amount of time spent working is closely related to workers' health and safety. Before beginning an audit, auditors should obtain region- and industry-specific data on industrial accidents. This data will be helpful to auditors in determining whether the rate of industrial accidents within the facility is excessive for the type of industry and production activity.

Auditors should carefully review whether the organisation properly maintains medical records and accident reports in the factory and assess whether any accidents are fatigue-related. This data is also important in cases where very few accidents are reported, particularly when these numbers are much lower than the industry norm. In such a case auditors need to look at the reasons for this; the facility may be significantly better than others in the industry, or this may be a red flag for the auditor to doubt the veracity of the organisation's health and safety records.

## 6. Double Books

Historically, the inability or unwillingness of auditors to recognize falsification of working hours records has been a major cause of concern for interested parties assessing the credibility afforded by an SA8000 program, and any other social compliance programs. Therefore, in regions where extensive overtime work is the norm and yet the organisation's working hour records readily demonstrate conformance to SA8000 requirements, auditors should carefully evaluate available evidence to corroborate information provided. Auditors should seek evidence to ascertain how management is able to keep working hours in compliance with SA8000; how management is able to compete with neighbouring workplaces; and how workers have reacted to fewer hours of work.

When falsification of working hours data occurs, it undermines the acceptability of all hours and wage-related elements. Auditors should therefore be aware of the possibility that management maintains one set of records to present to the outside world (auditors, regulators, customers etc.) and a second set of records reflecting actual practices and figures. This is often referred to as 'double books.' Because double sets of books are common in certain sectors and locations, whenever suspicion arises auditors should seek a credible demonstration of how management was able to reduce working hours.

When evaluating hours and wage practices, auditors should take care not to accept unreliable and unverified data as verification of conformance. In particular, where there is reason to suspect the accuracy of working hours reported by management, auditors should take care to verify the time collection system (whether manual record, time clock or biometric/fingerprint scanning) by cross-checking with working time records, production data, and verbal evidence gathered through interviews with workers.

In suspicious situations, auditors should be particularly cautious not to simply accept the organisation's apparent inability or unwillingness to provide a requested sample of source working hour data from an electronic hours recording system. Such an attempt to obfuscate the truth frequently takes the form of management presenting (consolidated) data to the auditor, accompanied by an excuse regarding the

source data (e.g. it is only accessible to IT personnel, confidential, hidden/locked until approved by head office, cannot be downloaded at this time, not available due to system being offline, malfunctioning, or under repair).

If source working hours data remain non-verifiable, auditors should determine and present audit conclusions factually and impartially, but should note the lack of available evidence.

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## WORKER INTERVIEW STRATEGY

Interviews with workers enable auditors to corroborate working hours policies, procedures and records and, in particular, to check that overtime in the facility is voluntary, not excessive, and paid appropriately. The recommended strategy below is for reference only. Auditors should plan their own worker interview activities taking into account the facility's particular work environment.

First, auditors should conduct interviews with the first-line supervisors who directly implement and communicate working hour policies to workers since they assign workers' shifts and approve vacation time and personal leave. These interviews will give the auditor an understanding of the policies as they are written. Auditors should also ask supervisors about their production planning and production quotas (if applicable) to determine if workers are able to refuse overtime. Auditors should then interview production workers to determine current working practices and assess the level of pressure to work overtime.

Through the interviews, auditors should learn how working time is calculated and recorded, and whether the organisation utilizes time cards. If the organisation does not use time cards, auditors should determine what method the facility uses to keep track of time worked, and make sure that workers understand the method and are able to track their own hours. Workers should understand how hours are recorded

Since it is widely known that some organisations coach workers to provide acceptable answers to questions about their working hours, auditors should not use a direct line of questioning with workers. Instead, auditors should use indirect questions and facilitate a conversation with the workers. Auditors should then be able to draw their own conclusions about the actual working hours.

Examples of some indirect questions that auditors may ask are as follows (note this list is provided for reference only):

- a. When is your regular shift (daytime or night)?
- b. When did you come to work and when did you leave yesterday?
- c. What do you usually do after work? What do you like to do after work?
- d. What did you do on your last day off? When was that?
- e. Did you go home to your family on New Year's Eve/National Holiday?

If, through interview, auditors find indications that workers might be working overtime hours on a regular basis, they should probe further to determine specific reasons for the overtime. For example, if workers report that they need to work longer hours to get all of their work done, this may suggest that workers are involuntarily working overtime to meet overly high quotas. The auditor should then follow-up to discover if overtime is voluntary and if premium wages are paid for overtime. Note, that when an organisation does pay overtime premium it is likely to economize on overtime and/or hire additional staff or shifts to be paid regular time.

Auditors should also be cognizant of the differences in workload and demand between peak production season and low season. If the interview is conducted during the slow season, auditors should ask questions about the differences from peak season workload. Additionally, if the audit is conducted during the slow season, auditors should seek to conduct a surveillance audit or unannounced spot check during the peak season to verify those answers.

## 8. REMUNERATION

### RELEVANT SA8000 DEFINITIONS

1. **Living Wage:** The remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs including provision for unexpected events.

### SA8000 REQUIREMENTS

- 8.1 The organisation shall respect the right of personnel to a living wage and ensure that wages for a normal work week, not including overtime, shall always meet at least legal or industry minimum standards, or collective bargaining agreements (where applicable). Wages shall be sufficient to meet the basic needs of personnel and to provide some discretionary income.
- 8.2 The organisation shall not make deductions from wages for disciplinary purposes. Exception to this rule applies only when both of the following conditions exist: a) Deductions from wages for disciplinary purposes are permitted by national law; and b) A freely negotiated collective bargaining agreement is in force that permits this practice.
- 8.3 The organisation shall ensure that personnel's wages and benefits composition are detailed clearly and regularly to them in writing for each pay period. The organisation shall lawfully render all wages and benefits due in a manner convenient to workers, but in no circumstances in delayed or restricted forms, such as vouchers, coupons or promissory notes.
- 8.4 All overtime shall be reimbursed at a premium rate as defined by national law or established by a collective bargaining agreement. In countries where a premium rate for overtime is not regulated by law or there is no collective bargaining agreement, personnel shall be compensated for overtime at the organisation's premium rate or at a premium rate equal to prevailing industry standards, whichever is higher.
- 8.5 The organisation shall not use labour-only contracting arrangements, consecutive short-term contracts and/or false apprenticeship or other schemes to avoid meeting its obligations to personnel under applicable laws and regulations pertaining to labour and social security.

### BACKGROUND AND INTENT

#### BACKGROUND: RELEVANT INTERNATIONAL NORMS

The Minimum Wage Fixing Convention 131 (1970) specifies in Article 3 (a) and (b) that the following two elements are taken into consideration by countries seeking to determine an appropriate minimum wage level to be enforced legally:

1. "The needs of workers and their families taking into account the general level of wages in the country, the cost of living, social security benefits, and the relative living standards of other social groups;
2. Economic factors, including the requirements of economic development, levels of productivity, and the desirability of attaining and maintaining a high level of employment."

In most countries, these two considerations are at odds and may not be weighted equally in the determination of the legal minimum wage. To attract foreign investment and international buyers, countries may emphasize

economic growth and development. Minimum wages are often set to compete with low cost suppliers in other countries and not to promote workers' welfare. Therefore many countries have minimum wage levels that do not meet the basic needs of workers and their families. These wages also frequently do not reflect inflation and other factors that affect actual standards of living. Lack of enforcement of even these minimal rates of pay is common, forcing workers to work excessive overtime in order to earn enough to meet basic needs.

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## INTENT OF THE STANDARD

This requirement of SA8000 is intended to ensure that all workers at a SA8000 certified organisation are paid a living wage. As a basis, it also requires that the wage for a normal workweek (not inclusive of overtime) to meet at least legal or industry minimum standards, or wage rates stipulated in a collective bargaining agreement. As noted in the definition above, the living wage should be received for a standard work week (max 48 hours or lower, as prescribed by law) and enable the worker to afford a decent standard of living for him or herself and a family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs, including workers' costs for legally required social benefits (e.g. unemployment insurance, retirement plan, etc.), and some discretionary income or provision for unexpected events. Workers should be compensated for the adequate performance of their work and should be paid in full for all work performed. Workers should not have to work overtime to earn enough to afford to cover basic living costs for themselves and their families. Additionally, the living wage level is not the equivalent to or replaceable by the legal minimum wage, except in rare cases where the legal minimum wage exceeds the living wage.

While the Standard's intent is the payment of a living wage for a standard work week, it is recognized that not every organisation is able to improve and revise wage structures at that it applies for certification. Therefore, remuneration is the only Standard requirement that is approved for a time-bound nonconformity, as outlined in Procedure 200. SA8000 applicants have 18-24 months to increase wages to the level of the living wage, provided that the following conditions are met at the time of initial certification: compliance with minimum wage laws; an analysis of workers' wage needs has been completed; and a target and strategy are in place to advance wages and show progress over time. The timeline of the nonconformity is dependent on the organisation's size and the gap between current wages and the living wage.

The remuneration expectations of SA8000 apply to all workers within the organisation's control and influence who provide products or services for the organisation, regardless of who is the direct wage payer. This includes directly-employed workers, managers, supervisors or specialist/technical personnel (irrespective of remuneration structure or rate) and indirectly employed workers, such as temporary workers, security, janitorial, or other personnel employed by the organisation's suppliers, sub-contractors, sub-suppliers and home (refer also to SA8000 9.10 Management of Suppliers and Contractors).

As noted in SA8000 8.2, deductions for disciplinary purposes are not permitted under SA8000 except where both national law and a freely negotiated collective bargaining agreement allow the practice. In some countries where both conditions can be met, disciplinary wage deductions are traditionally seen as a better alternative to firing workers. To be consistent with SA8000, however, other forms of progressive discipline practices that result in neither prohibited wage deductions nor terminations should be the norm (refer to Section 6 – Disciplinary practices). Thus, all payroll deductions are required to be legal and reasonable. Deductions for the purposes of legally required taxes and social insurance are acceptable. Deductions for transportation, meals, medical assistance and lodging are also allowable providing these items are not essential for workers to carry out their duties and such payroll deductions are voluntarily chosen by the worker. Deductions for job-essential items/services, such as necessary tools or protective gear or special job-related medical exams or coverage are

neither benefits nor voluntary and, as such, are not permissible. When an employer-offered item is a permissible service or benefit to workers, such as meals or housing, deductions for these should not exceed the employers' cost or should be below market rate. Workers' wage slips, including for home or piece work, should include details on how the wage was calculated, and the amount and reason for deductions. Workers should clearly understand how to read wage slips and their contents. One way managers can inform workers is to explicitly list such deductions in the employment contract and on wage slips. In order to confirm understanding, workers may consent in written form to other permissible deductions for organisation-provided services such as housing, meals, child-care, or transportation fees.

SA8000 8.3 is intended to ensure that personnel are fully aware of their wages and benefits and there are no restrictions on workers' freedom to decide how and where they spend their wages. The phrase "payment in a manner convenient to workers" is intended to ensure that workers are not obligated to travel any significant distance, make an extra trip, or incur any cost to collect their pay. This also requires that payment for completed work be made in full and given to workers in a timely manner. Timeliness of wage payments is also included in the concept of a "convenient manner" and requires that the frequency of wage payments be in compliance with national law. Organisations may not use vouchers, promissory notes, coupons, products, merchandise or other restrictive or delayed methods of payment. Wages may be paid in cash, by check, by direct deposit, or by prepaid debit cards if acceptable to the worker.

Performance bonuses are not considered part of a worker's base wage, which should be a living wage. The terms for earning such a bonus, however, should be in workers' contracts or the organisation's policies and be understood by workers. Any bonus payment should be non-discriminatory and based upon objective criteria.

SA8000 8.4 regarding overtime work is intended to ensure that workers are paid at the most advantageous premium rate. This rate may should be defined in the organisation's policies or procedures and reflect applicable legal and other requirements. Where permitted by law, senior management who have a significant role in setting their own work schedules and a base remuneration that significantly exceeds the living wage may not be subject to SA8000 8.4 overtime/premium rate requirements.

Lastly SA8000 8.5 is intended to specifically prohibit labour practices that reduce workers' wages or benefits or result in a precarious employment situation for a worker, such as certain contract and apprenticeship schemes. The prohibition of labour-only contracting arrangements applies to the organisation's responsibility for the actions of private employment agencies and other independent third parties they engage (such as on-site service contractors), and encompasses home workers as well. The organisation is responsible for ensuring that these contracts and these workers' terms of employment comply with the Standard, without regard to who secured or contracted with the workers. Part of this duty requires, for example, that employers verify that not only their own but also their hired labour contractors' worker contracts are not used to evade legal and SA8000-mandated obligations and benefits due to workers.

It is not always easy to identify or define short-term workers, also known as casual or temporary workers. Their employment usually has the four following characteristics: lack of a formal employer-worker relationship; none or few of the benefits and protections legally required for workers; termination and rehiring at the end of a contract or a contract renewal without granting seniority or job security; and a lack of trade union or other representation. Labour-only contracts or apprenticeship schemes cannot be used to avoid paying regular wages and benefits at an SA8000 compliant organisation. Nor can such arrangements be used for workers undertaking ongoing, routine tasks integral to the work of the organisation for any extended period of time. Those who continually carry out such work need to have a formal and long-term relationship with the organisation as personnel, with all wages and

benefits due to personnel. This requirement also intends to ensure that employers' short-term contracts or home worker and apprenticeship schemes are not used to avoid workers' payments and benefits or to deny workers' rights to freedom of association and collective bargaining. When national law does not specify the number of permissible consecutive short-term contracts that can be used, the organisation's practices should not prevent the accrual of benefits (e.g., insurance, severance or seniority) to workers over time. If short-term contracts are compromising the payment of those benefits over a substantial period, then the organisation's use of consecutive short-term contracts does not meet SA8000 requirements.

## IMPLEMENTATION GUIDANCE

SA8000 requires organisations to implement an effective management system to manage social performance for Elements 1-8. Please refer to [Section 9](#) for detailed guidance on the management system requirements (SA8000 9. Management System). The components of an effective management system are:

1. *Policies, Procedures and Records*
2. *Social Performance Team*
3. *Identification and Assessment of Risks*
4. *Monitoring*
5. *Internal Involvement*
6. *Complaint Management and Resolution*
7. *External Verification and Stakeholder Engagement*
8. *Corrective and Preventive Actions*
9. *Training and Capacity Building*
10. *Management of Suppliers and Contractors*

*The organisation should develop a management system to effectively meet the SA8000 performance requirements for SA8000 8. Remuneration*

### 1. Step Approach

In order to reach compliance with SA8000 8.1, SA8000 permits the organisation to utilize a step-approach to implementing a living wage for all its workers.

- a. The first step for the organisation is to pay its workers the local minimum wage or the industry minimum standard, whichever is higher.
- b. The next step requires the organisation to create a well-defined plan to reach payment of the full living wage and show progress toward that commitment.
- c. Finally, the organisation must pay a living wage within 18-24 months into its certification cycle, depending upon its size and the gap between its current wages and the living wage.

### 2. Wage System

Under SA8000 8.3, the organisation is required to ensure that information about wages and benefits is clear, in writing, and given to workers for each pay period. This is intended to ensure that workers have a regular and reliable record of their wages and benefits. This permits them to review each pay period's sums and make claims for any wages or benefits due but unpaid. Thus, the organisation should have a wage system in place that ensures wages are:

- a. Understood by workers
- b. Paid in a convenient manner
- c. Paid in a timely and regular fashion

- d. Accurately calculated
- e. Paid in accordance with legislation, contract and collective agreement
- f. Paid in full and without unauthorised deductions
- g. Not tied to use in organisation-owned stores, etc.
- h. Privileged ahead of payments to creditors in the event that an employer cannot meet its financial obligations (*i.e.* insolvency).

### 3. No Discrimination

The organisation should ensure fairness and non-discrimination in its remuneration principles and practices (see Section 5: Discrimination).

### 4. Provided Services

Services provided by the organisation to its workers for a fee, such as dormitories, food plans, or medicine should be provided at cost price and not for a profit.

### 5. Living Wage Estimates and Benchmarks

Living wage estimates and benchmarking should be used as the basis for setting wage levels and/or supporting a collective bargaining process, where applicable. Benchmarks do not supplant collective bargaining rights, but serve as a replicable tool to support social dialogue between workers and employers.

## LIVING WAGE ESTIMATES

Note: SAI has partnered with other standard-setting bodies<sup>17</sup> through the Global Living Wage Coalition to endorse a rigorous and reliable methodology for producing living wage benchmarks for specific regions, called the Anker Methodology. These benchmarks will eventually be available for organisations and auditors to use for SA8000, so they do not have to create their own estimates. SAI will provide further information and training on the use of the Anker Benchmarks for SA8000. This training will also include information on the incorporation of in-kind benefits into living wage analyses. In-kind benefits are those provided to workers that cover or reduce certain costs of living, such as free or subsidized meals or transportation. The Anker Methodology benchmarks are in no way intended to supplant collective bargaining.

Until the benchmarks are available for a SA8000 certification applicant's location, organisations and auditors should continue to use the existing SA8000 living wage estimate calculations, as described below. Each organisation is responsible for maintaining a living wage estimate for the location of its facility or facilities. SA8000 certification bodies and auditors also maintain living wage estimates for each organisation that they audit. SA8000 auditors are responsible for reviewing the organisation's estimate and verifying its compliance with SA8000 remuneration requirements by comparing it to their own estimates and through interviews with the organisation's workers and stakeholders.

The organisation should calculate a living wage estimate using the following factors:

1. Assessment of workers' expenses
2. Assessment of the average family size in the area
3. Analysis of the typical number of wage earners per family (typically not more than 1.6)

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<sup>17</sup>Global Living Wage Coalition Members: Fairtrade International, GoodWeave USA, Forest Stewardship Council, Rainforest Alliance, Sustainable Agriculture Network and Social Accountability International

4. Analysis of government statistics on poverty levels
5. Analysis of the cost of living above the poverty line

As noted in the definition of a living wage, a worker's weekly wages without overtime should enable him or her to afford a decent standard of living for a family of average size in his or her specific location. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other basic needs including provision for unexpected events and some discretionary spending.

While the quantitative estimation mentioned above offers organisations an initial point of reference to estimate the living wage, it may not be adequate in addressing various cultural and economic situations. For example, issues like health insurance are not always incorporated within basic needs, depending on the social system, although they should be. Therefore, qualitative verification is recommended as a means of verifying the appropriate application and analysis of the quantitative measures.

The organisation should frequently consult with workers and their representatives to understand whether wages are sufficient to meet basic needs for themselves and their families. Quantitative analysis, no matter how well defined, may only partially reflect these real needs. Workers are the most important source of information on the topic of basic needs. It should be noted, however, that workers may feel uncomfortable sharing their personal opinions about their basic needs with their employer. In order to conduct discussions more objectively, the organisation should construct a market basket with workers, using the quantitative analysis as a point of reference. Workers and trade union consultations are important for developing an adequate corrective action plan and timetable. Where appropriate, consultation with workers and their representatives should be documented.

Since wages are one of the chief indicators of working conditions, many other stakeholders in a particular region, such as trade unions, labour rights NGOs, government agencies, academics, and research institutions may have accumulated much knowledge and research data on the topic. Some may even have conducted independent research on the living wage. By maintaining regular communication with local groups it is possible to learn of locally relevant wage information and research. Where appropriate, consultation with local stakeholders on the living wage should be documented.

One calibration technique is to compare wages at the organisation to the industry mean of wages paid at unionized organisations. However, this simple approach would not work in locations where independent unions do not exist. In such cases, both local trade unions and NGO representatives should be consulted. By building an ongoing dialogue, organisations and auditors are able to better assess the wage situation in a given region.

## AUDITOR GUIDANCE

Note: Certification body auditors conducting SA8000 audits are required to meet the requirements of SAAS Procedure 200:2015, [Audit Requirements for Accredited Certification Bodies for the SA8000 Program](#). This guidance is intended to provide support to auditors conducting SA8000 audits.

## KEY ISSUES TO CONSIDER

The following are examples of issues that auditors should consider when assessing the organisation's performance with regard to remuneration. The guidance provided below is not exhaustive, nor is every item mandatory. Auditors should adapt and/or expand on this information according to the specifics of the organisation and the local context. Auditors should create a specific auditing strategy to investigate these and other identified issues for each organisation.

## 1. Living Wage Calculation and Step-Approach

As noted above, SAI has endorsed the Anker Methodology and will provide training on its use for auditors. In the meantime, auditors should refer to the section on Living Wage Estimates above for information on calculating a living wage estimate. Consulting with workers and/or their representatives is the best way for auditors to determine accurately the local living wage. Auditors should also review all documentation when assessing whether wages meet workers' basic needs. Since it may be difficult for some organisations to raise wages immediately to that level, SA8000 does permit a step approach under a specific timeline as explained above. Auditors should review the following elements (and others as appropriate for the local context).

- a. The organisation's method of determining the living wage should be carefully reviewed and recorded.
- b. The organisation's plan to move toward a living wage. It should be executable and verifiable. Auditors should verify and record any progress made in relation to the schedule presented by management, such as whether the lowest paid employees' wages have been increased according to the schedule. Furthermore, the plan must demonstrate how long it will take for the organisation to pay the living wage and whether the date at which the organisation plans to pay the living wage is acceptable. In determining the acceptability of the date at which the living wage will be paid, auditors should consider the size of the organisation and the gap between the current wages and the living wage.
- c. The level of senior management commitment. This may be verified by interviewing the management personnel assigned to implementing the living wage plan and verifying that they have adequate authority and support from senior management and are able to show evidence that the plan to move towards the living wage is in motion.

## 2. Method of Remuneration

SA8000 8.2 requires the organisation to pay workers in a manner convenient to workers, whether by cash, check, direct deposit, pre-paid debit cards, or otherwise. Employers may not use vouchers, promissory notes, coupons, products, or merchandise in place of cash or checks. Auditors should carefully review issues related to methods of remuneration and any deductions from workers' pay, including the following:

- a. The organisation's principles of remuneration are understood by workers
- b. The organisation makes payments in a manner convenient to workers
- c. The organisation makes payments to workers in a timely and regular fashion
- d. The organisation accurately calculates wages owed to workers
- e. The payments made by the organisation are in accordance with legislation, contract and collective agreement
- f. The payments made by the organisation are paid in full and without unauthorised deductions
- g. The payments made by the organisation are not tied to use in organisation-owned stores, etc.
- h. The organisation ensures that remuneration to workers is prioritized ahead of payments to creditors in the event that an employer cannot meet its financial obligations (*i.e.* insolvency).

The organisation's frequency of payment should comply with national laws and regulations. Wage, incentive or bonus payments made by the organisation to workers should be current. The organisation should ensure that all workers, including those paid by piece rate, receive wage slips with each payment. Auditors should check that the wage slips provide adequate information as to how the wage was calculated and should identify the amount and reason for any deductions from pay. (Note: fines or wage deductions for disciplinary purpose are not acceptable under SA8000 except in those situations where law and collective bargaining agreements allow it).

Auditors should also assess any in-kind benefits provided by the organisation in place of monetary compensation. This may include transport, meals, medical assistance and lodging. Auditors should evaluate whether these services are in fact benefits or whether they are essential for workers to carry out their work (e.g. special equipment (protective gear or tools) which are neither worker benefits nor voluntary or special medical exams or coverage). Those services, tools and equipment that are essential to the performance of a task should be paid for by the organisation and thus should not be deducted from worker pay. The burden of proof is on the organisation to determine whether services, tools and equipment are necessary for the performance of a task.

Auditors should also evaluate whether these benefits are provided at or below market rate and whether workers have alternatives (e.g. deductions for rent where no other housing options are available and workers' families live elsewhere). Deductions or reductions in pay related to services provided should be optional for workers to avoid any misuse.

### 3. Piecework Calculations and Quotas

Piecework is a complex, often arbitrary, pay system. It is increasingly common in many labour-intensive industries. Piecework is an incentive system in which workers are given production quotas and then are paid bonuses to exceed those quotas, with the goal of increasing output and efficiency. However, workers often do not understand how base pay and bonuses are calculated, and they have little chance to participate in the determination of production quotas and pay rates. In many factories, failure to reach production quotas on time leads to fines, deductions from wages, or verbal or physical abuse. In such cases, piece rate structures are the primary cause for excessive overtime as workers try to meet unreasonable quotas to avoid penalties or merely earn the minimum wage.

Auditors should establish that criteria determining production quotas and piece-rates are reasonable. As a general reference, a reasonable, minimum daily quota is one that is achievable by all workers within an eight hour shift, and thus enables each worker to earn a living wage within that time. In the event that a worker is unable to attain a daily quota equivalent to a living wage, then the organisation should provide the difference between the amount produced and the daily target.

Because piece rate compensation varies according to the specific products being produced at a given time, calculating production incentives can be difficult and cumbersome for managers. Thus, some managers may use a simple incentive system such as a flat rate (e.g. 1 cent extra per item for piece rate production above quota and/or beyond the 40- or 48-hour week). Whatever system is being used, auditors should analyse the system to determine that the organisation has a premium-rate for overtime work and that workers understand how this incentive rate is calculated. Where a collective bargaining agreement is in place, auditors should verify that these rates have been agreed upon with workers through their elected representatives. Whether piecework or hourly rate calculations are used, auditors should check that the organisation keeps accurate records of hours worked, and overtime is paid at the appropriate premium rate.

### 4. Apprenticeship Schemes

The auditor should check that the organisation does not misuse apprenticeships as a way to hire workers, especially young workers at reduced wages and/or benefits under the guise of training. If the organisation has workers employed in apprenticeships, the auditor should check that there is a clearly defined training

agenda for a specific time period. Governments often register and/or monitor such programs, especially when young workers are involved. For example, according to the Vietnamese Labour Act of 1994, “The apprenticeship period shall be counted as a period of service within the enterprise offering such a scheme; and individuals and organisations are strictly prohibited from making a profit from apprenticeship arrangements.” If the organisation pays at a reduced apprentice-level to workers without an apprenticeship contract, auditors should verify that this is not done beyond a reasonable period of time. For example, workers in the Bangladesh garment sector have been found to be ‘in training’ for two to three years, which is an excessive amount of time.

In cases where the organisation pays workers a lower wage during a vocational training period after the commencement of employment, the length of the period should be strictly limited and enforced, a maximum number of weeks for the training period should be defined and the wage may not be lower than the legal minimum.

#### 5. Casualization of the Workforce: Short-Term Contracts, Labour-only Contracts and Home work

Contract labour, short-term contracts and home work are increasingly used in labour markets worldwide. There is no universally accepted definition for “contract labour;” in many cases a worker under such an arrangement may also be called a “casual worker” or “temporary worker.” In certain circumstances and according to local law, this type of arrangement may be permitted, but auditors should seek to determine if workers’ rights in such arrangements are being protected. There are some common elements in a contract labour or home work situation through which workers’ rights are abused:

- a. There is no formal and direct employment relationship or agreement established between the organisation and workers.
- b. Contract workers and home workers are not guaranteed benefits and protections prescribed by national legislation for permanent workers.
- c. At the completion of short-term contracts, workers may be either terminated or rehired or their short-term contract is renewed (without any accrual of seniority or job security).
- d. In most cases, there is no trade union or other party to represent workers’ interests.

Short-term contracts or home work may have negative impacts on the human rights of workers. They often deprive workers of protections under national and internationally accepted labour standards; deny workers normal contractual rights such as overtime, sick and holiday pay; prevent workers from maintaining continuity of employment and gaining experience for which they may be promoted; limit workers’ access to insurance and social security benefits; and leave workers with no recourse in the event of work-related disease, accident or death. In assessing whether the organisation is using contract labour to deprive workers of their rights, auditors should interview contract labourers directly, review documentation and seek to answer a series of questions:

- a. Is this labour being used in routine tasks that are done repeatedly, or is the labour required due to special circumstances? In some cases, such as regular service delivery, contract labour may come into a workplace routinely (e.g. to clean or service machinery). These should be reviewed under SA8000 9.10 Management of Suppliers and Contractors.
- b. Does the facility use a disproportionate number of short-term contracts compared to permanent contracts for a relevant time period that do not relate to a necessary business need?
- c. Do contract labour arrangements allow the organisation to avoid benefits mandated by law (e.g. the payment of a 13th month at the end of the year, social security payments, or health insurance)? Have

- alternative arrangements been made to pay partial benefits for contract labourers? Is the use of short-term contracts preventing workers from earning benefits?
- d. Are migrant labourers entitled to accrue benefits or the equivalent thereof or does their legal status prohibit benefits such as health care or housing?

## 6. Deductions and Fines

The organisation may not impose fines or wage deductions for disciplinary purposes except when allowed by local law and negotiated as part of a collective bargaining agreement. The organisation is required to compensate workers for work they have performed. It is a common unacceptable practice in some workplaces for management to impose fines for unsatisfactory performance or conduct. For instance, workers in some facilities are often fined for reasons such as “negligence” or “asleep at work.” Under the guidance for SA8000 6. Disciplinary Practices, managers are encouraged to employ progressive, clearly defined and documented, disciplinary practices.

If the organisation has historically relied on fines for disciplinary purposes, it should substitute this for alternative means, such as verbal warnings, followed by one or more written notifications, to maintain order. Auditors should seek evidence that this policy is in use and that both workers and managers understand disciplinary procedures and the prohibition on fines.

Auditors should also seek to determine that any other deductions are in line with the requirements of the Standard. Auditors should determine that workers understand any legally required deductions, and have given their consent to any other deductions for services such as housing, meals or transportation. Auditors should determine that the organisation is not making any deductions against the will of the workers or without their knowledge. For example, the organisation should not charge workers for supplemental services such as water, electricity, and guard services, or for the use of tools and the loss or damage of tools which may occur in the normal course of operations. Additionally, any deductions made by the organisation for repayment of loans or for advance wage payments granted should not exceed a reasonable amount, and the charging of interest should be at or below market rates.

The avoidance of social security contributions by employers is a major challenge. Auditors should verify that the organisation deducts and properly administers the legally prescribed social security contributions for workers. It may not be possible for every organisation to change this policy overnight, but the workers should be registered for social security as soon as possible, and prior to certification. The organisation may argue that the workers themselves do not want deductions taken from their pay for social security contributions. SA8000 requires, however, that employers comply with national law.

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## WORKER INTERVIEW STRATEGY

Since wages are inextricably linked with working hours, auditors can interview personnel on these two issues at the same time. Auditors should make sure that, where applicable, the interview sample includes contract workers as well as permanent workers. Where compensation rates are low, auditors should also include salaried workers in their remuneration interview sample.

Auditors should seek to determine two basic points with respect to the living wage for workers.

1. Do wages paid enable the worker to afford a decent standard of living for the worker and a family in the local context?
2. Does the worker have to work overtime to earn this wage?

Before conducting interviews with workers and worker representatives, auditors should obtain key information related to wages by researching national legislation, tracking published data and reports, interviewing management, and checking employment contracts and payroll records. The following is a partial list of useful data that auditors are encouraged to acquire beforehand whenever it is available:

- Regional average and/or median wage statistics
- National and/or regional minimum wage requirements
- Regional data on average household expenditures and food basket
- Regional demographic data such as average family size
- Prevailing industry wage
- Legal information about apprenticeship (wage & term) requirements and limits
- Legally required social benefits such as medical care, accident insurance *etc.*
- Legally and/or contractually permitted wage deductions
- Pay system and calculation methods at the facility (piece rate vs. hourly rate; base rate vs. bonus)
- Pay schedule at the facility
- Living wage benchmarks, where available

As a general recommendation, auditors should ask workers indirect questions and draw conclusions based on workers' responses. For example, instead of asking: "Are you satisfied with your current wage?" auditors may ask workers to compare their current wage against what they made in previous jobs, or against what they know of wages in other comparable facilities.

An auditor may start the interview by asking how much a worker was actually paid on the last payday. The auditor can then ask if there were deductions and/or fines. If so, auditors can probe whether the worker understands the method of wage calculation, and whether he or she thinks these deductions were reasonable.

If piece rates are used in the factory, the auditors should determine whether piece rate routinely satisfies minimum wage criteria (in accordance with legal requirements, collective bargaining agreement, living wage calculations, etc.) and whether the worker needs to work overtime to meet the production quotas (either individual or team quotas). If the worker does work overtime, auditors need to determine whether the overtime hours exceed the limit allowed by SA8000 and whether a premium rate was paid.

Auditors should also verify that wages paid meet workers' basic needs. Auditors may start with questions about workers' expenditure patterns. In addition auditors should ask the workers what expenses they need their wage to cover.

## 9. MANAGEMENT SYSTEM OVERVIEW

Note: This section is structured differently than the preceding structures due to the nature of the management system requirements and Social Fingerprint integration. This overview section (9. Management System Overview) provides: (1) background information on management systems and SA8000 and describes the intent of the Social Fingerprint integration and importance of management systems for SA8000; (2) more information about the components of Social Fingerprint and how it is incorporated into the SA8000 certification process; and (3) guidance for auditors on how to audit a SA8000 management system generally. However, it is assumed that SA8000 auditors are management system auditors and are qualified to perform this type of an audit from other training and resources. The subsequent sections 9.1-9.10 provide specific implementation guidance for organisations on each of the SA8000 management system requirements.

### RELEVANT SA8000 DEFINITIONS

1. **Social performance:** The organisation's achievement of full and sustained compliance with SA8000 while continually improving.

### SA8000 REQUIREMENTS

- [9.1 Policies, Procedures and Records](#)
- [9.2 Social Performance Team](#)
- [9.3 Identification and Assessment of Risks](#)
- [9.4 Monitoring](#)
- [9.5 Internal Involvement and Communication](#)
- [9.6 Complaint Management and Resolution](#)
- [9.7 External Verification and Stakeholder Engagement](#)
- [9.8 Corrective and Preventive Actions](#)
- [9.9 Training and Capacity Building](#)
- [9.10 Management of Suppliers and Contractors](#)

(Please see the relevant section for specific requirements, definitions and implementation guidance.)

### BACKGROUND AND INTENT

#### BACKGROUND INFORMATION ON MANAGEMENT SYSTEMS AND SA8000

SA8000 Introduction Section 2 provides explains the use of a management system in the context of the standard's social performance expectations. Essentially, a management system is the set of policies, procedures and processes that enable the organisation to meet its objectives. A management system, however, is more than a set of documents. An effective management system is implemented by trained, committed people who routinely follow procedures to meet the organisation's objectives. It also requires a strong commitment from senior leadership and needs to be sufficiently resourced (human, financial, technical, technological and infrastructure).

Over the past three decades, management systems have been increasingly used in the workplace to improve quality and manage environmental and health and safety implementation (e.g. OHSAS 180000, ISO 9001, ISO 14001), but the use a management system approach is not limited to those organisational processes. Since the

inception of SA8000 in 1997, an effective management system has been recognized as essential for an organisation to consistently achieve high levels of social performance. For SA8000, the management system provides an operational 'map' that allows the organisation to achieve and assure full and sustained SA8000 compliance and continual improvement. An effective management system provides the tools for the organisation to continuously assess, mitigate and control risks related to SA8000 performance by recognizing opportunities for improvement and challenges.

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## INTENT OF SOCIAL FINGERPRINT INTEGRATION INTO SA8000:2014

The management system requirements for SA8000 were strengthened and clarified for the 2014 version through the integration of the Social Fingerprint management system assessment program. This was intended to provide organisations with more support and guidance for their implementation of a social performance management system and facilitate sustained SA8000 compliance. As noted above, SA8000: 2014 requires the organisation to build, maintain and continually improve a functional management system to ensure full and sustained compliance with the Standard. As this management system matures, it must be regularly assessed to identify improvement opportunities, set priorities, and establish action plans to achieve sustained, successful implementation of SA8000. The methodology of this assessment under SA8000: 2014 is Social Fingerprint. Social Fingerprint is a set of tools that helps the organisation measure and improve its management systems for social performance. The Social Fingerprint tools have been in use since 2008 by over 1,000 organisations around the world in different industries and at all levels of the supply chain. With the release of SA8000: 2014, the management system element of the Standard is aligned with Social Fingerprint so the tools can holistically support the organisation's initial or ongoing SA8000 certification efforts. Social Fingerprint provides the framework for the management system, and also introduces a management system self-assessment and independent evaluation in the SA8000 certification process, as outlined in Procedure 200.

Social Fingerprint breaks down the 10 components of a management system (SA8000 9.1-9.10) into five different levels of maturity (5 is highest), and rates the maturity of each component of the organisation's management system development and implementation. The ratings, or scores, are then used as benchmarks to understand the current state of management system, and identify its strengths and weaknesses. With that information, the organisation can optimize its resources and make targeted improvements to weaker areas of the system to improve the system overall.

Social Fingerprint represents the SAI framework for a management system. It supports the ISO management system requirements and follows similar principles, but is not identical to it and uses different terminology. Social Fingerprint breaks down the components of a management system into slightly different categories to specifically address the distinctive necessary aspects of a management system that is being used for social performance, as opposed to environment or quality.

## THE SA8000 MANAGEMENT SYSTEM

A strong management system is the backbone of SA8000 and enables organisations to sustain SA8000 implementation over time. The SA8000 management system is made up of the 10 following interrelated components, each of which is represented by a requirement of SA8000 (SA8000 9.1-9.10).

1. **Policies, Procedures and Records:** How the organisation defines its principles, objectives, and commitment to SA8000, and instructs its personnel to implement those principles on a day-to-day basis.

2. **Social Performance Team:** The group of trained people who lead and facilitate the organisation's SA8000 implementation, as required in SA8000 9.2.
3. **Identification and Assessment of Risks:** How the organisation determines its risks and prioritizes its actions to address them.
4. **Monitoring:** How the organisation tracks its SA8000 implementation and performance to achieve its objectives and targets.
5. **Internal Involvement and Communication:** The organisation's methods and channels for communicating with workers and getting their input for SA8000 implementation.
6. **Complaint Management and Resolution:** How the organisation receives and addresses grievances or other suggestions from workers or interested parties.
7. **External Verification and Stakeholder Engagement:** How the organisation cooperates with external auditors or involves interested parties to get comprehensive input to its SA8000 implementation.
8. **Corrective and Preventive Actions:** How the organisation addresses risks and gaps in its SA8000 implementation and makes system changes to prevent recurrence and drive continual improvement.
9. **Training and Capacity Building:** How the organisation trains its personnel and develops their attitudes, skills and knowledge to effectively implement SA8000.
10. **Management of Suppliers and Contractors:** How the organisation conducts due diligence on its business partners and encourages them to implement SA8000 and improve.

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## MANAGEMENT SYSTEM DEVELOPMENT VS. IMPLEMENTATION

SA8000 requires the development *and* implementation of a strong management system. The organisation first *develops* its management system by establishing and documenting necessary policies and procedures in the above categories, creating the appropriate processes, and determining social accountability objectives based on external expectations (for example, customer requirements, industry standards, SA8000 and legal requirements). SA8000 9.1 outlines SA8000 requirements for development of management system documentation, however, it is not enough to build a management system on paper; it must also be implemented and monitored. This requires the organisation to embed system processes throughout its operations. The organisation *implements* its management system by ensuring that it has adequate resources and information provided to trained and committed people, who routinely follow the established policies, procedures, and processes. SA8000 requirements for implementation of the system are described in the SA8000 management system requirements 9.2-9.10.

Large companies tend to be better at system development, but they may have difficulty ensuring that people in dispersed locations or departments consistently implement the procedures. Small companies tend to be better at system implementation if they have effective leadership; however, they are often weak at developing the documentation needed to ensure continuity when people in the organisation change. SA8000 recognizes the different challenges for small versus large organisations, so the Standard requires organisations to demonstrate the effectiveness of system implementation that is appropriate for their size and structure.

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## SOCIAL FINGERPRINT TOOLS AND SA8000 CERTIFICATION PROCESS

1. **Self-Assessment:** The Self-Assessment is completed by the organisation before the SA8000 audit. In this process, the organisation reflects internally on its management system development and implementation, then answers a series of questions about its system and receives a score for each SA8000 requirement on a scale of 1 to 5 (5 is highest).

2. **Independent Evaluation:** The Independent Evaluation is completed by the auditors during the SA8000 audit. The auditors answer the same series of questions about the organisation's management system development and implementation to produce externally validated SA8000 scores. These scores provide the organisation with an external perspective on the maturity level of its system to identify aspects that need to be strengthened. They also support the auditor's evaluation of the management system for SA8000 compliance.
3. **Rating Chart:** The Social Fingerprint framework includes a rating chart that describes the maturity levels for each of the 10 categories.

Social Fingerprint provides organisations and auditors with a clear, consistent methodology for assessing management system maturity and compliance with the SA8000 management system requirements.

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## THE SOCIAL FINGERPRINT MATURITY RATINGS

An organisation that conducts the Social Fingerprint process receives a maturity score for each of the 10 requirements, as well as an overall score. There is not a minimum mandatory Social Fingerprint score for SA8000:2014 certification. However, the program has been built so that Level 4 generally corresponds to compliance with SA8000: 2014. Each level is described below.

1. **Social Fingerprint Level 1:** Organisation has no awareness of SA8000 or any system in place to manage its social performance.

Organisations at a level 1 may have some very basic processes to comply with local laws or customer requirements on labour practices, but do not have systems in place to monitor the workplace.

2. **Social Fingerprint Level 2:** Organisation has a partially developed management system but implementation is reactive, inconsistent and mostly ineffective.

Organisations at a level 2 have the beginnings of a management system in place, but the system is mostly addressing compliance with local laws or customers' requirements. The organisation may have developed specific policies and procedures, but is not implementing them regularly or effectively. Such companies are primarily focused on reactive risk management and mitigation for business reasons, rather than managing social performance.

3. **Social Fingerprint Level 3:** Organisation has developed a management system, but has not fully or consistently implemented it.

Organisations at a level 3 have developed a management system, but are not fully implementing it regularly or consistently. Such organisations may have written policies and procedures addressing all aspects of SA8000 in place, with some departments or personnel implementing some of the procedures, but implementation is not consistent throughout the organisation and is not a part of its operations on a daily basis. Such organisations may be implementing certain aspects of the management system well, such as its Occupational Health and Safety policies and procedures, but may not be addressing issues in a holistic way. Their social performance may still be more reactive than proactive, and they may make changes only

when require by external bodies. They have set their plan for improvement, with goals and targets, but are not consistently meeting those goals or targets.

4. **Social Fingerprint Level 4:** Organisation has developed a management system and implements it consistently and regularly.

Organisations at level 4 have developed and implemented a fully functioning SA8000 management system. The management system is proactive and preventive, and it is being implemented regularly and effectively. Such organisations have written policies and procedures for their SA8000 implementation and have trained personnel appropriately to ensure that the procedures are being followed. They have improvement plans in place with goals and targets and are making changes to meet those goals. Compliance with SA8000 is a dynamic, not static process, so organisations in compliance need to continually improve their performance in order to remain compliant.

5. **Social Fingerprint Level 5:** Organisation has developed and implemented a mature management system, and is continually improving that system.

Organisations at a level 5 have mature management systems that are proactive and preventive, and are implemented regularly and consistently by well-trained personnel. They regularly review the system itself to ensure that it is as effective as possible, and are continuously striving to improve. Such organisations meet their improvement plan goals and targets, and then change those goals and targets to push themselves to improve even more. They integrate their social performance with business strategy and planning, so that business decisions are made with consideration for the potential social impact – both on workers and interested parties. In order to achieve this level, the organisation must provide evidence of continual improvement, so organisations may need to sustain certification over a period of time.

## AUDITOR GUIDANCE

Note: Certification body auditors conducting SA8000 audits are required to meet the requirements of SAAS Procedure 200:2015, [Audit Requirements for Accredited Certification Bodies for the SA8000 Program](#). This guidance is intended to provide support to auditors conducting SA8000 audits.

With the integration of Social Fingerprint into SA8000:2014, auditors are required to complete a Social Fingerprint management system independent evaluation based on the findings from the SA8000 audit (as explained above). See Procedure 200A for further information on the Social Fingerprint integration into the SA8000 certification process. The questions in the independent evaluation provide auditor with a clear, consistent methodology for assessing management system maturity and compliance with the SA8000 management system requirements. An effective audit of the management system includes a review of documents, interviews and site observation, as well as a review of the organisation's self-assessment and any previous independent evaluations.

Auditors should consult the following resources to conduct the management system audit and Social Fingerprint Independent Evaluation:

1. SA8000:2014 Online Revision Webinar - Part 2: Social Fingerprint  
(Includes detailed explanation of management system components and the use of Social Fingerprint to assess management system maturity.)
2. Procedure 200 - Audit Requirements for Accredited Certification Bodies for the SA8000 Program

### 3. Procedure 200A - Audit Requirements for Accredited Certification Bodies for Social Fingerprint

Thus, this section includes a list of suggested documents for auditors to review to assess the organisation's implementation of an effective management system and a list of suggested questions during interviews.

List of Documents to Review: (list is non-exhaustive and non-mandatory)

1. 9.1 Policies, Procedures and Records:
  - a. SA8000 policy statement
  - b. Policies and procedures for SA8000 implementation
  - c. Letter of commitment from senior management
2. Social Performance Team:
  - a. SPT list of members
  - b. Minutes from meetings and other records
3. 9.3 Identification and Assessment of Risks
  - a. Completed risk assessments and risk ratings
4. 9.4 Monitoring
  - a. Completed monitoring records
  - b. Internal audit records
  - c. SPT meeting records
5. 9.5 Internal Involvement and Communication
  - a. Records of communications between management and workers about SA8000
6. 9.6 Complaint Management and Resolution
  - a. Documented complaints and resolutions
7. 9.7 External Verification and Stakeholder Engagement
  - a. Records of engagement with interested parties (e.g. emails, letters, records of meetings and discussions)
8. 9.8 Corrective and Preventive Actions
  - a. Nonconformance, corrective and preventive action planning, implementation and review records
9. 9.9 Training and Capacity Building
  - a. Training plan and records from delivered training sessions
  - b. Attendance lists
10. 9.10: Management of Suppliers and Contractors
  - a. Supply chain map
  - b. Supplier risk evaluation results
  - c. Documented communications with key suppliers
  - d. Performance monitoring records

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## WORKER INTERVIEW STRATEGY

As noted above, management system implementation requires trained, committed people routinely following procedures. Therefore, it is essential for auditors to conduct worker and manager interviews to determine the extent to which the system is being implemented in practice. This section provides some suggested questions about the management system to ask during the audit.

Questions for Interviews with Managers: Auditors should ask the relevant managers about various aspects of the management system implementation. For each of the 10 categories, auditors should seek to inquire about the following aspects of the process:

- **WHO** – Who was involved in the process of creating the process/system? Who is involved in its implementation? The SPT should have a significant role in the risk assessment, monitoring and corrective/preventive action processes, as required by the Standard. Additionally, all personnel, including directly and indirectly employed workers should be covered by the organisation’s management system. Finally, the organisation should consult interested parties and external stakeholders as needed.
- **WHAT** – Ask the managers to describe various processes to determine if policies and procedures are being implemented regularly and consistently in accordance with SA8000? For example, auditors should inquire about the implementation of the complaint management system to check that the organisation is collecting and responding effectively to complaints.
- **WHEN** – How often does the process in question occur? This is especially applicable for the risk assessment and monitoring processes and training, which should occur on a regular basis. Additionally, how often are the policies and procedures updated? In order to continually improve, organisations should review and revise as needed their policies and procedures on a regular basis, or as needed with changes in the business or environment.
- **HOW** – Auditors should ask managers about how the results of the risk assessment, corrective/preventive actions, complaints, and monitoring are used.

Questions for Interviews with SPT management representatives:

- a. How were you selected to participate on the SPT?
- b. Can you explain the training that you received to be on the SPT?
- c. Who facilitates the SPT training and what topics are covered?
- d. How do you make decisions in the SPT?
- e. Describe the SPT’s current goals related to implementing SA8000
- f. Do you have access to all of the resources you need to carry out SPT duties?
- g. Are you given adequate time to meet and prepare for SPT meetings?
- h. Do you have the authority to collect information from interested parties and stakeholders?
- i. What is your involvement in the risk assessment process?
- j. Who do you report results of the risk assessments to? How often does this communication occur?
- k. When did the SPT last revise the risk assessment processes?
- l. How was the process revised?
- m. Does the SPT consult external experts and stakeholders in your risk assessments? If yes, whom?
- n. What is your involvement in the monitoring process? How often does it occur?
- o. What sources of information do you consider in the monitoring process?
- p. To whom does the SPT deliver monitoring reports? How often does this occur?
- q. When did you last revise the monitoring process? How was the process revised?
- r. How were the recommendations handled by management?

Questions for Interviews with SPT Worker Representatives:

- a. Is your input respected in the SPT and considered equally valuable to that of managers?
- b. Do you have the opportunity to participate in the internal audits and monitoring of suppliers/subcontractors and sub-suppliers?

- c. Do you have access to all SA8000-related information and reports, including audits?
- d. Do you have the opportunity to participate in the management review?
- e. Do you have the opportunity to participate in the opening and closing meetings of labour audits?
- f. Do you report back to workers on any corrective and preventive actions taken?
- g. Do workers come to you to discuss SA8000 related challenges in the workplace?
- h. Do you have the authority to facilitate communications with senior management regarding matters relating to the Standard?

Questions for Worker Interviews:

- a. Can you explain SA8000 to me?
- b. How did you learn about SA8000?
- c. Have you received training on SA8000 or any other labor standard?
- d. Do you know who to talk to if you have a problem in the workplace?
- e. What would you do if you had a problem with your supervisor?
- f. Who would you talk to if you have a suggestion for an improvement in the workplace?
- g. Who is the SA8000 worker representative in the workplace?
- h. Who is the SA8000 management representative in the workplace?
- i. Have you been involved in any projects to improve conditions in the workplace?
- j. Has anyone ever asked you questions about your experience working here?
- k. Has anyone in the organisation ever asked you about what you think the job risks are?
- l. Do you feel comfortable discussing workplace issues with your supervisor or other workplace managers?
- m. What is the Social Performance Team and what does it do?

## 9.1 POLICIES, PROCEDURES, AND RECORDS

### RELEVANT SA8000 DEFINITIONS

1. **Interested parties:** An individual or group concerned with or affected by the social performance and/or activities of the organisation.
2. **Social performance:** The organisation's achievement of full and sustained compliance with SA8000 while continually improving.

### SA8000 REQUIREMENTS

- 9.1.1 Senior management shall write a policy statement to inform personnel, in all appropriate languages, that it has chosen to comply with SA8000.
- 9.1.2 This policy statement shall include the organisation's commitment to conform to all requirements of the SA8000 Standard and to respect the international instruments as listed in the previous section on Normative Elements and Their Interpretation. The statement shall also commit the organisation to comply with: national laws, other applicable laws and other requirements to which the organisation subscribes.
- 9.1.3 This policy statement and the SA8000 Standard shall be prominently and conspicuously displayed, in appropriate and comprehensible form, in the workplace and in residences and property provided by the organisation, whether it owns, leases or contracts the residences or property from a service provider.
- 9.1.4 The organisation shall develop policies and procedures to implement the SA8000 Standard.
- 9.1.5 These policies and procedures shall be effectively communicated and made accessible to personnel in all appropriate languages. These communications shall also be clearly shared with customers, suppliers, sub-contractors and sub-suppliers.
- 9.1.6 The organisation shall maintain appropriate records to demonstrate conformance to and implementation of the SA8000 standard, including the Management System requirements contained in this element. Associated records shall be kept and written or oral summaries given to the SA8000 worker representative(s).
- 9.1.7 The organisation shall regularly conduct a management review of its policy statement, policies, procedures implementing this Standard and performance results, in order to continually improve.
- 9.1.8 The organisation shall make its policy statement publicly available in an effective form and manner to interested parties, upon request.

### IMPLEMENTATION GUIDANCE

**Policies, Procedures and Records:** How the organisation defines its principles, objectives, and commitment to SA8000, and instructs its personnel to implement those principles on a day-to-day basis.

The following section provides guidance for organisations seeking to conform to the requirements of SA8000 on the implementation of SA8000 9.1. Policies, Procedures, and Records. The foundation of the organisation's management system are its policies, procedures, and records. Through these documents, the organisation demonstrates its commitment to SA8000 and detail the actions that its personnel should take to ensure sustained compliance. Thus, the eight requirements of SA8000 9.1 outline the steps that the organisation should take to create a framework for its management system, implement it on a daily basis to ensure continual improvement.

## DEVELOP AND COMMUNICATE POLICY STATEMENT

SA8000 9.1.1 requires senior management to write a policy statement to inform all personnel that the organisation has chosen to comply with SA8000.

Senior management support is widely recognized as one of the most critical elements to the success of any organisational initiative, and is crucial for sustained SA8000 compliance. Therefore, senior management should write a policy statement to communicate their commitment to SA8000 to all personnel and interested parties and to demonstrate that the entire organisation is supportive of achieving and sustaining SA8000 compliance. Senior management should also hold themselves and the organisation accountable to this commitment by actively overseeing and providing the appropriate resources and authority to those people who manage SA8000 implementation.

SA8000 9.1.1 also requires the policy statement to be available in all appropriate languages. The policy statement must be written in language(s) that personnel can easily understand in both verbal and written form. This does not necessarily mean that the organisation must translate the policy statement in every language spoken in the workplace. However, the organisation is responsible for ensuring that ALL personnel are able to readily understand the policy statement. If there are significant populations that only speak one language, then the organisation must write the policy statement in those specific languages.

SA8000 9.1.2 requires the organisation to include a commitment to conform to all requirements of SA8000, as well as the international instruments listed in the “Normative Elements and their Interpretation” section and all national or other applicable laws or requirements in the policy statement.

The policy statement should therefore clearly state the organisation’s commitment to conform to all requirements of SA8000 and all other relevant instruments, laws and requirements. The statement should be appropriate to the organisation’s nature and size. Depending on these factors, it may be a brief general statement, or it may be a longer explanation of the organisation’s specific commitments and values.

SA8000 9.1.3 requires the organisation to post the policy statement and the Standard prominently and conspicuously, in appropriate and comprehensible form, in the workplace and residences and property provided by the organisation, whether it owns, leases, or contracts the residences or property from a service provider. This requirement aims to ensure that the policy statement is available to personnel in all locations where the organisation maintains responsibility for personnel. Therefore, if any personnel encounter a situation is a potential SA8000 non-conformance, they can consult the policy statement.

Finally, SA8000 9.1.8 requires the organisation to make the policy statement publicly available in an effective form and manner to interested parties, upon request. This requirement is intended to address stakeholders’ requests to have access to the policy statements of SA8000 certified organisations. The policy statement should be available to anyone who asks to see it, since it is the organisation’s public declaration of its commitment to SA8000. If the organisation has a public website, it is recommended to post the policy statement on the website.

## DEVELOP AND COMMUNICATE POLICIES AND PROCEDURES

SA8000 9.1.4 requires the organisation to develop policies and procedures to implement the entire SA8000 Standard. However, there are five specific policies and procedures that all organisations are required to maintain at a minimum for SA8000 compliance:

1. The SA8000 policy statement (Required by SA8000 9.1.1)
2. Child labour remediation policies and procedures (Required by SA8000 1.2)
3. Procedures to detect, prevent, minimise, eliminate or otherwise respond to potential risks to the health and safety of personnel (Required by SA8000 3.7)
4. Complaint management and resolution policies and procedures (Required by SA8000 9.6.1/9.6.2)
5. Corrective and preventive action policies and procedures (Required by SA8000 9.8.1)

The organisation should first assess its existing policies and procedures to determine if they address the SA8000 requirements, determine what additional policies and procedures may be necessary, modify existing policies and procedures to comply with the Standard and develop new policies as needed. It is important that the organisation engage personnel in this process to ensure that the policies and procedures are practical and accurate. Personnel who are particularly affected by policies (such as those specific to a single department or job function) will provide special insight that will ensure the accuracy of the policy/procedure. Procedures should be clear and concise so they can be easily followed. Policies and procedures must be aligned with the requirements of SA8000 and also address issues specific to the organisation, such as risks, local legal requirements and operational issues.

Typically, to have an effective system, smaller organisations may need fewer formal policies and procedures than larger organisations. Smaller organisations typically have fewer levels of bureaucracy and closer relationships between senior management and personnel, so it is easier for them to communicate policies and procedures to all personnel, and managers can individually train personnel on relevant issues and risks. Such organisations may not need extensive documentation and can be more flexible in developing specific policies or procedures as needed. Therefore, organisations are necessarily required to develop a policy and procedure for every SA8000 requirement. However, if policies and procedures are not formally developed, the organisation is expected to take appropriate measures to ensure that personnel understand SA8000 requirements, and be able to demonstrate this to auditors.

Once the organisation develops the necessary policies and procedures, SA8000 9.1.5 requires it to effectively communicate them to all personnel and make them available in all appropriate languages (see above). It also requires the organisation to share these communications with customers, suppliers, sub-contractors, and sub-suppliers.

An effective management system will have an open system of communication. Internally, the organisation should guarantee, through regular training, consultation, and other means, that personnel at all levels understand and have access to information on the organisation's SA8000 implementation. Externally, interested parties need sufficient information to make an independent assessment to verify the organisation's compliance with SA8000 and overall working conditions.

If some workers are unable to physically read the policy due to illiteracy, visual impairment or other circumstance, management is obligated to communicate the policy to those workers via alternative means, such as special training programs, graphics, and/or oral presentations.

The intent of this requirement is to ensure that workers are informed and understand their organisation's SA8000 commitment and policies. It is not acceptable for the organisation to simply assume that workers have received the Standard and therefore understand it. Organisations must also confirm that personnel understand the requirements of SA8000, as required by SA8000 9.5.1 (see 9.5 Internal Involvement and Communication).

## MAINTAIN RECORDS

SA8000 9.1.6 requires the organisation to maintain appropriate and accurate records to demonstrate conformance to and implementation of the SA8000 Standard. Appropriate, accurate and well-managed records are important for SA8000 implementation because they provide proof that the procedures are being followed; enable the organisation to measure performance, generate meaningful reports, and track results in the short, medium, and long term; document the various measurements necessary to track progress in SA8000 implementation; and Preserve institutional knowledge.

Records can be maintained electronically or in hard copy. Specific records may be maintained by the relevant department. Records do not need to be centralized, however it is recommended that the organisation keep an inventory or list of where relevant records are kept for ease of retrieval and collection during an audit.

There are seven types of specific records that all organisations are required to maintain at a minimum for SA8000 compliance:

1. Health and safety committee risk assessment records (Required by SA8000 3.5)
2. Health and safety incident records (Required by SA8000 3.7)
3. Wages and benefits composition in writing for each pay period (Required by SA8000 8.3)
4. Internal audit records (Required by SA8000 9.4.2)
5. Corrective and preventive action records (Required by SA8000 9.8.2)
6. Training records and materials, including records that demonstrate how effectiveness has been measured (Required by SA8000 9.9.1)
7. Records of due diligence of suppliers/subcontractors, private employment agencies and sub-suppliers' records (Required by SA8000 9.10.1)
8. Social Fingerprint ratings

In addition to the required records, the organisation should also maintain other records that are relevant to its SA8000 implementation, as appropriate. Examples of other useful records include: external audit reports, management review reports, internal and external complaint summaries, communications from senior management on SA8000, and other records demonstrating the organisation's progress meeting SA8000 objectives. Similar to the development of policies, the organisation should determine which additional records are necessary for its implementation of SA8000. Smaller organisations may need fewer physical records than larger organisations. However, they must still demonstrate they maintain adequate records to demonstrate compliance with SA8000.

Note: The written or oral summaries required by 9.1.6 to be provided to the SA8000 worker representative(s) are meant to engage workers in the process of ensuring SA8000 implementation. By giving the SA8000 worker representative(s) access to compliance information, the representative(s) are able to provide another communication channel to their peers on the organisation's progress, and even follow-up directly with management on specific areas where implementation is a challenge. The Standard differentiates between written and oral summaries because some information may be too sensitive to provide in written form. In that case, it may be wiser to provide feedback in the form of an oral summary to keep information confidential.

## MANAGEMENT REVIEW

SA8000 9.1.7 requires the organisation to regularly conduct a management review of the SA8000 policy statement, the policies and procedures developed to implement the SA8000 Standard, and records that demonstrate conformance to and implementation of the SA8000 Standard.

Management review is the routine evaluation of the organisation's management system performance. This review determines if the system is performing as intended and producing the desired results as efficiently as possible. Periodic management reviews are necessary to check that the organisation's implementation processes and procedures are adequate and effective, and that they represent a suitable means to carry out the organisation's policy. By reviewing and evaluating the status of each policy implemented, the organisation can establish a performance baseline and identify goals for improvement. Workers' feedback is an essential input to ensure an effective and meaningful performance review. Management review does not need to review the entire management system at once, but may focus on one or two elements at a time, with a schedule for addressing them all.

The first task of management review is to determine the scope and identify which elements of the management system will be reviewed. Organisations can use the risk assessment to identify key priority areas, and start the management review with the highest priority areas.

In preparation for the management review, identified personnel, typically members of the SPT, should be responsible for collecting data on the organisation's performance and management system. This data collection will include a document review and personnel interviews. This data will help identify gaps in the management system and assess opportunities for improvement or changes that need to be made, including to policies and procedures. Typically, the following areas are included:

- Results of internal and external audits
- Internal and external complaints and feedback
- Progress against goals
- Status of corrective and preventive actions
- Status of follow-up actions from previous management reviews
- Recommendations for improvement based on changing circumstances
- Social Fingerprint ratings

Management review meetings should be chaired by a management representative, and attendees should include senior management, line supervisors, compliance officers, and occasionally the SA8000 worker representative(s). However, it is important to note that in many cases organisations conduct management reviews that integrate the various management systems they have implemented, including environmental, quality, and social performance systems. In these cases it may not be appropriate for the SA8000 worker representative to attend the parts of the management review dedicated to other management systems, but to be brought in when the SA8000 management system is discussed.

The results of the management review meetings should be documented. Management review results include any decisions related to changes to SA8000 policies, objectives, and any other elements of the management system.

The depth and frequency of management review meetings depends on the maturity or degree of implementation of the SA8000 management system, past experience - such as incident history, previous reviews, and audit results - and assessment of the risk posed by the activities to be reviewed.

While management review can be scheduled as needed, they are typically conducted at planned intervals, be they monthly, quarterly, semi-annually, or annually, and they may be scheduled in conjunction with other regularly scheduled meetings, such as facility safety committee meetings.

The organisation should be able to explain why it has chosen the management review interval. Whatever interval is chosen, management review should be a scheduled event and publicised well ahead of the actual meeting date. Outputs of the management review should feed back into the organisation's continual improvement processes, including improvement of the effectiveness of the management system and its processes; resource needs; and revisions of the organisation's policy and objectives.

## 9.2 SOCIAL PERFORMANCE TEAM

### RELEVANT SA8000 DEFINITIONS

1. **SA8000 worker representative(s):** One or more worker representative(s) freely elected by workers to facilitate communication with the management representative(s) and senior management on matters related to SA8000. In unionised facilities the worker representative(s) shall be from the recognised trade union(s), if they choose to serve. In cases where the union(s) does not appoint a representative or the organisation is not unionised, workers may freely elect the worker representative(s) for that purpose.

### SA8000 REQUIREMENTS

9.2.1 A Social Performance Team (SPT) shall be established to implement all elements of SA8000. The Team shall include a balanced representation of:

- a. SA8000 worker representative(s); and
- b. management.

Compliance accountability for the Standard shall solely rest with Senior Management.

9.2.2 In unionised facilities, worker representation on the SPT shall be by recognised trade union(s) representative(s), if they choose to serve. In cases where the union(s) does not appoint a representative or the organisation is not unionised, workers may freely elect one or more SA8000 worker representative(s) from among themselves for this purpose. In no circumstances shall the SA8000 worker representative(s) be seen as a substitute for trade union representation.

### IMPLEMENTATION GUIDANCE

**Social Performance Team:** The group of trained people who lead and facilitate the organisation's SA8000 implementation.

The following section provides guidance on SA8000 9.2 Social Performance Team (SPT). Organisations that engage their workforce in social compliance have been proven to have stronger SA8000 implementation, and many also have higher levels of productivity and workforce motivation. Like strong leadership, worker engagement is essential because everyone in the organisation, from the most senior managers to individual workers, has a part to play in building a strong social performance culture. Overall, the SPT enhances the following aspects of SA8000 implementation:

- Worker-manager communication
- Participation by non-management personnel to ensure that workers are served by the SA8000 system
- Communication channels for workers to understand the SA8000 system
- Worker buy-in and trust in the SA8000 system
- Access to workers' expertise and knowledge

The SPT also has a specific role in implementing SA8000 requirements 9.3: Identification and Assessment of Risks; 9.4 Monitoring; and 9.8 Corrective and Preventive Actions.

### STRUCTURE OF THE SPT

SA8000 9.2.1 requires the SPT to include a balanced representation of SA8000 worker representative(s) and management. This requirement is intended to ensure that the perspectives of both managers and workers are considered by the team. The worker representative(s) provide a perspective on the performance of the management system, while the management representative(s) generally take more of a leadership and coordination role. SA8000 does not necessarily require equal numbers of workers and managers on the team; many SPTs include more worker members than management members. Workers should determine who and how many representatives they elect to represent them on the SPT.

The size of the team typically depends on: 1) the size and spread of the organisation; 2) the type of work; and 3) the desire of workers to elect representatives. The management representatives should ideally be selected from different functional areas of the organisation. The maximum number of people on the team should be 10-12 in order to maximize effectiveness. There must be at least 1 worker representative on the committee, but the number of worker representatives should be proportional to the number of workers in the workplace to ensure sufficient representation. If there are multiple shifts, each shift should have at least one representative on the SPT in order to represent specific issues for each shift. If there are multiple sites, each site should have its own SPT with arrangements for coordination between them. Ultimate coordination responsibility rests with the SPT located at headquarters or the main production site.

The organisation also needs to ensure the SPT represents the perspectives of workers contracted through private employment agencies and migrant, temporary, and seasonal workers, and that such workers have the same access to the services of the SA8000 worker representative as other workers. These workers should be included in the SPT as much as possible. It is very important to ensure that communication about the function of the worker representative is clear and comprehensive. All categories of workers must be trained to understand the SA8000 Standard, and have equal access to the services of the SA8000 representative.

### SPT WORKER REPRESENTATIVE(S)

SA8000 9.2.2 requires the SA8000 worker representative(s) to be from recognised trade union(s), if they choose to serve. If the union does not choose to appoint a representative or the organisation is not unionised, workers may freely elect one or more SA8000 worker representative(s) for the SPT. The trade union or workers (depending on the organisation) are not required to elect worker representatives for the SPT.

#### **Who can serve as a worker representative?**

Any worker can serve as a worker representative. The SA8000 worker representative serves as a liaison between workers and management. The worker representative CANNOT be a manager of any kind, or an individual from outside the organisation. The worker representative(s) must be selected or elected by peers in the organisation.

#### **Is there a minimum percentage of workers necessary to elect the SA8000 worker representative(s)?**

Under the SA8000 standard, there is no defined percentage of workers necessary to elect a SA8000 worker representative. Level of participation in the election is determined on a case-by-case basis.

#### **How often should workers re-elect the SA8000 worker representative(s)?**

There are no term limits for the SA8000 worker representative, but there should be a defined process for reflecting the changing opinions of workers over time. Ultimately, the workers should define this process.

#### **Worker representatives vs. trade union representatives**

SA8000 9.2.2 states that under no circumstances should the SA8000 worker representative(s) be seen by workers as a substitute for trade union representation. The SA8000 worker representative serves as a liaison between management and workers to communicate about challenges and efforts to ensure compliance with the Standard, specifically.

SA8000 worker representatives do not bargain collectively on behalf of workers in any circumstance. The right to bargain collectively can only be secured by a worker organisation, once that worker organisation has secured representation of a required percentage of workers. This is the case even in organisations where workers are not organized collectively prior to SA8000 implementation; in sectors where there is no active independent trade union active; and/or in countries where freedom of association is restricted. In countries where freedom of association is restricted by law, organisations are still required under SA8000 to allow workers to organize.

#### **The role of management in election processes:**

Management's role is to educate workers about the requirements of SA8000 and inform workers about the opportunity to elect representatives to the SPT. If management effectively completes these efforts, workers are expected to engage in a peer selection process and vote for their representatives.

Under SA8000, management should:

1. Allow candidates to post notices during election campaigns
2. Provide time for workers to participate in the election proceedings without loss of pay
3. Provide a facility for workers to carry out elections

Management should not:

1. Select the worker representative/s
2. Set up a committee for workers to represent themselves
3. Seek to influence workers' choice in any way
4. Interfere with or manipulating the selection/election or functioning of the worker representative(s)
5. (if there is a trade union) Consult the workforce directly, instead of through the trade union, about how to fill the functions of the SA8000 worker representative
6. (in the case that workers choose not to select or elect a representative(s)) Force workers to select or elect a representative
7. (in countries where freedom of association is restricted by law) Prescribe or even recommend how workers should organize

The following guidance addresses some specific situations that organisations may encounter:

**Organisations with one trade union:** At organisations with a trade union, the trade union has discretion to choose the SA8000 worker representative(s). It is up to the union to fulfil this function or determine how to fulfil it. The union may decide with management that the SA8000 worker representative functions be covered within the normal trade union representation activities; or it may decide to convene the organisation wide election to fill the seat. Whatever the decision, it is the choice of the elected worker representatives and management cannot interfere.

If there is a trade union in place, and management proceeds to consult the workforce directly instead of through the trade union about how to fill the functions of the SA8000 worker representative, then management will be

seen as initiating a secondary representation structure, possibly in competition with the trade union, which is not acceptable under SA8000. .

**Organisations with more than one trade union:** When SA8000 refers to the union fulfilling the functioning of the worker representative, it refers to a representative union. National law usually establishes how the representation of multiple unions is to be structured. A representative union is understood as a union that has sufficient members in the facility to have acquired collective bargaining rights according to national law.

In some cases, multiple unions may have secured these rights and then national law usually indicates how those unions are to work together (e.g. either ceding to the largest union or co-negotiating the collective bargaining agreement). In those cases, it is up to the unions to fill the SA8000 worker representative function or set it up for a vote among all workers.

The workers could elect representatives from each union or have one single representative that all workers agree upon. This situation should be decided by the workers and their elected representatives. Management need only to be able to demonstrate provision of space, time, and opportunity for workers to make these decisions.

**Countries with multiple levels of trade unions:** In some countries, such as Italy and India, there are multiple levels of trade unions. Since the SA8000 worker representative must work at the workplace, they will not be from a national or regional level trade union office.

**Organisations with no trade union:** At organisations without a trade union, the workers should be able to choose to elect a representative(s) and have the means to conduct this selection on the organisation's premises and time. The organisation should not be involved in, coordinate, or influence the selection process in any way. The worker representative(s) should be chosen by non-management personnel through a free and independent election process. It is expected that workers will engage in a peer selection process where workers vote for their representatives.

**Organisations where workers decide not to elect representative(s):** Although not preferable for the effective implementation of SA8000, workers have the freedom to decide not to name a worker representative(s) to the SPT. However, in this case this lack of cooperation with or interest in SA8000 should raise serious alerts in all related areas within the organisation, such as communications with workers and freedom of association. The search for the root causes of such a lack of cooperation or interest may make the organisation's certification unlikely or impossible.

#### **The role of the SPT in SA8000 implementation:**

SA8000 9.2.1 requires the establishment of the SPT to implement all elements of SA8000. Specifically, the Standard states that SPT should participate in risk assessments, monitoring, and facilitate the implementation of corrective and preventive actions.

It is important to note that while senior management should ensure that SPT members have the time and capacity to participate in the committee, this participation should in no way infringe on their normal work responsibilities.

The worker representative is meant to facilitate communication between workers and management on recommendations or complaints relating to SA8000 policy and implementation. Therefore, one or more worker representative(s) should have access to SA8000-related information and reports, and should participate in:

- Risk assessments

- Internal audits and monitoring of the organisation
- Relevant and appropriate aspects of management review
- Opening and closing meetings of labour audits, including SA8000 audits
- Reporting back to workers on any corrective and preventive actions taken
- Reporting back to Senior Management on the performance and benefits of actions taken to meet the SA8000 Standard

The management members of the Social Performance Team are responsible for participating in the management review and for securing decision-making and budgetary authority to implement preventive and/or corrective actions as needed. They thus manage the work of the team, coordinate between multiple SPTs (if applicable), and dialogue with Senior Management.

SA8000 9.2.1 emphasizes that compliance accountability lies solely with senior management. The SPT is responsible for facilitating the implementation of SA8000, and reporting to senior management. Senior management should routinely meet with the SPT, review its reports on the organisation's performance, and work with the team to take action when necessary.

## 9.3 IDENTIFICATION AND ASSESSMENT OF RISKS

### RELEVANT SA8000 DEFINITIONS

1. **Risk assessment:** A process to identify the health, safety and labour policies and practices of the organisation and to prioritise associated risks.

### SA8000 REQUIREMENTS

- 9.3.1 The SPT *shall* conduct periodic written risk assessments to identify and prioritise the areas of actual or potential non-conformance to this Standard. It *shall* also recommend actions to Senior Management that address these risks. Actions to address these risks *shall* be prioritised according to their severity or where a delay in responding would make it impossible to address.
- 9.3.2 The SPT *shall* conduct these assessments based on their recommended data and data collection techniques and in meaningful consultation with interested parties.

### IMPLEMENTATION GUIDANCE

**Identification and Assessment of Risks:** How the organisation determines its risks and prioritizes its actions to address them.

The following section provides guidance on SA8000 9.3 Identification and Assessment of Risks. The risk assessment requirements of SA8000 are meant to institutionalize and enhance the continual improvement and worker engagement aspects of the Standard. By involving the Social Performance Team in a systematic process for identifying and evaluating potential events that could have a negative impact (i.e. possible risks), organisations are able to foster worker-manager collaboration around a proactive process that leads to practical and sustainable workplace improvements. The fundamentals of a risk assessment are to evaluate the probability of a negative event happening, and the severity of the negative impact if it did happen, and rate risks in order to prioritize actions and operational controls to address them.

SA8000 criteria 9.3.1 requires that the Social Performance Team conduct periodic written risk assessments to identify and prioritise the areas of actual or potential non-conformance with the Standard, prioritise risks according to their severity and probability, and recommend actions to Senior Management on how to address identified risks. At any time there may be many people involved in a particular risk assessment, including management, workers, external experts, and interested parties. Although most organisations are already taking some steps to control obvious risk, a formal risk assessment and mitigation plan helps organisations see if current practices are adequate and appropriate. Clearly planning risk assessments with a specific objective and scope focuses the assessment on priority areas and enables precise measurement.

It is recommended that organisations map the elements of SA8000 along with availability of personnel, including the Social Performance Team, in order to determine to determine the periodicity of the risk assessment process.

The Social Performance Team is responsible for overseeing and managing the risk assessment process, including overall review. Thus, members must be provided with adequate time and resources to carry out the following functions, without infringing on their normal work responsibilities:

1. Understand the risk assessment plan and ensure that risk assessment are performed according to it

2. Ensure that competent people are assigned to carry out the risk assessment
3. Assist in gathering information for the risk assessment process, including interviews or meetings with personnel. Worker representatives especially should interview other workers.
4. Determine when it is necessary to consult interested parties in order to collect important data
5. Check the process of prioritizing the risks and make changes, as appropriate, after a review. Check that actions are recommended to Senior Management on how to address risks and offer input if they would like to modify those actions
6. Offer input to Senior Management on how to improve the risk assessment process if needed

Large organisations that have multiple sites and/or multiple Social Performance Teams will need to ensure that Social Performance Teams coordinate between sites and share information.

### **Conduct the Risk Assessment**

According to SA8000 9.3 organisations should periodically conduct and document risk assessments of our internal business operations and processes, as well as of significant business partners, to identify and prioritize actual or potential non-conformances with SA8000. There are many ways to carry out risk assessments depending on the complexity of the issues being assessed and the circumstances. Organisations should consult multiple sources of information during the risk assessment process, including but not limited to:

- Worker interviews
- Internal and external audit reports
- Health and safety monitoring reports
- Analysis of legal and other requirements, regulations, local labour conditions and industry trends
- External stakeholder consultation
- Internal complaints
- External complaints
- External technical experts
- Risk assessment of suppliers/subcontractors, private employment agencies, and sub-suppliers

The process should identify risks related to the elements of the Standard; it may be useful to classify the risks based on the standard elements (child labour, forced labour, health and safety, etc.). The scope of the risk assessment should include risk assessments of internal business operations and processes, as well as the organisation's most significant business partners.

After risks have been identified, the organisation should prioritize and rate risks to determine what actions need to be taken to address them. Organisations should have procedures in place to prioritize risks by their severity of impact and likelihood of occurrence, which may be defined in quantitative or qualitative terms. Organisations should use a rating system that is appropriate for the size and nature of their business. It is important to understand the risk ranking is based on judgement using input from various interested parties. Judgement must be used in balancing the severity and probability to assign the rating. For example, the risk of chemical explosion may receive a high risk rating because although there is a low probability of a chemical explosion occurring, the severity of such an explosion would be extremely high. Conversely, the risk of slipping and falling on a wet floor may receive a high rating because although the severity of the impact of this risk may be low (e.g. a broken bone), the probability of it occurring is high.

As required by SA8000 9.3.2, the SPT should consult with relevant interested parties during the risk assessment process. These interested parties may include experts on occupational safety, health, discrimination, freedom of association and other subject matter, which might also include those in NGOs, trade associations, consultants and others. It may be necessary to involve interested parties when personnel, including the SPT feel that the information gathered for a particular risk assessment is insufficient or inconclusive and additional information is necessary. Interested parties have the ability to offer a fresh perspective on workplace risks and often carry subject matter expertise in a particular area that may prove novel in assessing and recommending ways to address complex risks.

Finally, for each identified risk, the SPT should conduct a root cause analysis to identify actions that will address the underlying causes of the risks. Actions should be prioritised according to level of risk, and the organisations ability to address them. For example, the root cause of risk related to chemical handling may be a lack of appropriate training for personnel. This is something that the organisation itself can directly address by improving its training program. On the other hand, the root cause of risks related to home workers in the supply chain may be associated with a lack of government protection for such workers, which is more difficult for the organisation to address on its own. The team should therefore consider the key actions to address prioritized risks and recommend them to senior management.

## 9.4 MONITORING

### RELEVANT SA8000 DEFINITIONS

None specific to Monitoring.

### SA8000 REQUIREMENTS

- 9.4.1 The SPT *shall* effectively monitor workplace activities for:
- a. compliance with this Standard;
  - b. implementation of actions to effectively address the risks identified by the SPT; and
  - c. for the effectiveness of systems implemented to meet the organisation's policies and the requirements of this Standard.

It *shall* have the authority to collect information from or include interested parties (stakeholders) in its monitoring activities. It *shall* also liaise with other departments to study, define, analyse and/or address any possible non-conformance(s) to the SA8000 Standard.

- 9.4.2 The SPT *shall* also facilitate routine internal audits and produce reports for senior management on the performance and benefits of actions taken to meet the SA8000 Standard, including a record of corrective and preventive actions identified.

- 9.4.3 The SPT *shall* also hold periodic meetings to review progress and identify potential actions to strengthen implementation of the Standard.

### IMPLEMENTATION GUIDANCE

**Monitoring:** How the organisation tracks its SA8000 implementation and performance to achieve its objectives and targets.

The following section provides guidance on SA8000 9.4 Monitoring. Monitoring is integral to the implementation of a strong management system. The organisation has a number of ways to measure progress towards meeting its objectives; one of the most common and integral methods of monitoring is to conduct internal audits. However, there is a difference between monitoring and internal auditing. Monitoring is the responsibility of the managers of each particular area or program. They are the ones most familiar with their own operations and should be responsible for identifying risk areas within their scope of work; developing appropriate internal controls, policies, and procedures; and monitoring them to verify they are being followed. In addition, of course, workers are always at least informally monitoring working conditions. Internal audits are conducted by personnel from another area, independent of those operations, to gain objectivity. Furthermore, the objectives of internal audits are different from monitoring. Monitoring is done to verify that policies and procedures are in place and are being followed, auditing is done to determine whether the monitoring program is operating as it should and that policies, procedures, and controls adopted are adequate and effective.

#### **Conduct Periodic Monitoring**

SA8000 9.4 assigns responsibility for monitoring to the SPT rather than to management alone. The SPT is responsible for routinely monitoring the workplace for: a) compliance with this Standard; b) implementation of actions to effectively address the risks identified by the SPT; and c) for the effectiveness of systems implemented to meet the organisation's policies and the requirements of this Standard.

Before conducting monitoring activities, the organisation should set the objectives and scope of its monitoring. One strategy is to focus on areas of high-risk identified during the risk assessment, while another is to monitor each requirement of the SA8000 Standard. Monitoring should be conducted regularly as part of continual improvement as well as when there are changes to the organisation's business or external factors, such as a new law or new business operation. Some aspects of the business may need to be monitored on a more frequent basis. For example, the monitoring of the appropriate use of Personal Protective Equipment (PPE) in high hazard areas should be conducted more often than other areas. When monitoring discovers evidence of non-compliance, it may also be necessary to increase the frequency of a system related to the non-compliance in order to ensure that corrective and preventive action are working effectively. Monitoring is part of corrective and preventive action plans in order to check on their effectiveness. When monitoring provides evidence that systems are functioning properly, it may be more efficient to decrease the frequency of monitoring and reallocate resources elsewhere. As certain activities only occur at specific times of the day or night or periods of the year, monitoring must be planned accordingly to cover them.

As with risk assessment, the SPT should include other relevant individuals, including management, workers, external experts, and interested parties.

### **Role of Senior Management**

Since the Social Performance Team is composed of both managers and workers, it is critical that Senior Management commit the requisite personnel, budget, and resources in order to ensure that monitoring is conducted in compliance with the Standard. Senior Management must work closely with the Social Performance Team in order to understand its resource needs and see that they are met.

### **Role of the SPT**

The Social Performance Team is responsible for overseeing or managing the monitoring process and verifying the adequacy of the information gathered. Thus, it must be provided with adequate time, resources and authority to carry out the following functions, without infringing on the members normal work responsibilities:

1. Understand the monitoring plan and ensure that it incorporates risk assessments results
2. Ensure that competent people are assigned to carry out monitoring
3. Assist in gathering of information for the monitoring process, including interviews or meetings with personnel
4. Determine when it is necessary to consult interested parties in order to collect important data
5. Check that reports are provided to senior management on monitoring results
6. Meet regularly to review monitoring progress.

There are many ways to conduct monitoring of the workplace, and organisations should determine the most appropriate monitoring program for their business. As this list is similar to that guiding risk management, the reviews are dual purpose. Organisations should consult multiple sources during the monitoring process including but not limited to:

- Risk assessments
- Management review minutes
- Results of previous formal internal audits
- Results of external audits
- Interviews with workers and managers

- External stakeholder consultation
- Complaints about working conditions
- Documentation from suppliers/subcontractors, private employment agencies, and sub-suppliers about their labour standards performance
- Records from visits to business partners addressing their labour standards performance

The starting point for monitoring is to collect baseline data to serve as a point of reference. Monitoring is made stronger by having an initial point to compare against that can demonstrate whether improvements and progress have been made. Organisations can then compare current performance against baselines to determine progress or identify issues. The comparison should emphasize achievements rather than failures. However, when issues are identified, it is critical to analyse the reasons in order to understand the improvements that must be made. Once measurement data has been compared to targets, the resulting analysis should enable decisions to be made about what corrective and preventive actions are required, and when and where they are necessary.

### **Routine Internal Audits**

SA8000 9.4.2 also requires the SPT to facilitate routine internal audits. The purpose of this activity is to conduct an in-depth analysis of the SA8000 compliance function, noting areas of strength and weakness and where improvements may be needed. Internal auditing reviews current practices, policies, and procedures. All areas of SA8000 should be included in internal audits. These audits review the organisation's SA8000 policies and practices against SA8000 and recommended practices (such as those in this Guidance Document). Internal audits address both conformance and effectiveness. Organisations should have a procedure on how to carry out internal audits and train internal auditors appropriately to ensure that they are competent to audit internal social systems for conformance and effectiveness.

SA8000 9.4.2 requires the SPT to produce reports for senior management on the internal audits and benefits of actions taken to meet the SA8000 Standard, including a record of corrective and preventive actions identified.

Once monitoring is conducted, it must be used to drive continual improvement. Therefore, in SA8000 9.4.3 the SPT is also required to conduct regularly scheduled meetings to review progress and identify potential actions to strengthen implementation of the Standard.

## 9.5 INTERNAL INVOLVEMENT AND COMMUNICATION

### RELEVANT SA8000 DEFINITIONS

None specific to Internal Involvement and Communication

### SA8000 REQUIREMENTS

- 9.5.1 The organisation *shall* demonstrate that personnel effectively understand the requirements of SA8000, and *shall* regularly communicate the requirements of SA8000 through routine communications.

### IMPLEMENTATION GUIDANCE

**Internal Involvement and Communication:** The organisation's methods and channels for communicating with workers and getting their input for SA8000 implementation.

The following section provides guidance on SA8000 9.5 Internal Involvement and Communication. Effective communication between workers and managers is critical to SA8000 implementation. The Standard seeks to empower workers in the workplace and give them the ability to provide input into their experience in the workplace. Workplace dialogue is key to social accountability and workers' feedback is critical for management to understand the impacts of policies on the floor or in the field. Managers can then incorporate this feedback to strengthen SA8000 implementation.<sup>18</sup> Improved worker-management communication also can decrease rates of absenteeism, improve worker retention, reduce accident rates and increase worker commitment to the organisation. These results can lead to increased productivity. Thus, this requirement is intended to ensure that organisations effectively communicate with workers about SA8000 and also involve workers in SA8000 implementation.

#### Regularly Communicate SA8000 Requirements

SA8000 9.5.1 requires the organisation to regularly communicate the requirements of SA8000 through routine communications and builds on SA8000 9.2. SA8000 9.2 requires the organisation to display the SA8000 policy statement and the Standard in the workplace and residences so that workers can read the requirements and the organisation's commitment to them. Per SA8000 9.5, organisations should also create and implement procedures for establishing open and regular communication channels between workers and management so that the organisation can ensure that workers understand the requirements of the Standard. All personnel, including all directly and indirectly employed workers (e.g. including those employed through private employment agencies) should understand how to use and access the organisation's communication channels related to labour standards. The organisation should have multiple types of communication channels, both written and verbal, in languages that workers understand to ensure that workers fully comprehend the SA8000 requirements. Communications should occur on a regular basis, which means they are conducted consistently as part of normal operations. Especially in workplaces with a large number of illiterate workers, the organisation should communicate about SA8000 verbally to make sure that the workers understand the Standard. Some examples of communication channels are listed below (note: this list is non-exhaustive):

- SA8000 poster posted in the workplace (required under SA8000 9.2)
- Conversations between workers and elected worker or union representatives

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<sup>18</sup> For example, 71% of respondents rank employee engagement as very important to achieving organisational success. Harvard Business School, "The Impact of Employee Engagement on Performance." Available at: [https://hbr.org/resources/pdfs/comm/achievers/hbr\\_achievers\\_report\\_sep13.pdf](https://hbr.org/resources/pdfs/comm/achievers/hbr_achievers_report_sep13.pdf)

- Trainings about SA8000
- Conversations with supervisors or managers trained in SA8000
- The organisation worker manual, which includes information about SA8000
- A regular newsletter or other communication, which mention SA8000
- Broadcasting regular announcements about SA8000
- General organisational update sessions, during which SA8000 is discussed
- Message board/intranet with information about SA8000
- Visual hand-outs, videos or illustrated posters with information about SA8000

### **Demonstrate Personnel Understanding of requirements**

SA8000 9.5 also requires the organisation to demonstrate that personnel effectively understand the requirements of SA8000. Organisations should have systems in place to evaluate the understanding of SA8000 requirements amongst all personnel including workers. Verifying that personnel understand SA8000 and are involved in its implementation is an important way to demonstrate that the two-way communication channels are effective. SA8000 9.6 outlines the requirements for the organisation's Complaint Management and Resolution system; SA8000 9.5 is intended to collect more general feedback and input from workers to help the organisation improve its SA8000 implementation. Channels that can be used to get feedback include, but are not limited to:

- Suggestion box, intranet site, or dedicated email address where workers can submit feedback
- Formal complaint management system (see 9.6 Complaint Management and Resolution)
- Designated HR personnel trained in SA8000 who is available to speak with workers
- Worker surveys
- Worker interviews during audits
- Conversations with elected worker or union representatives
- Conversations with members of the SPT
- Worker committees
- Assemblies organized to gather worker feedback

Organisations should use information obtained from workers through such communication channels to improve their policies and procedures related to SA8000 implementation.

## 9.6 COMPLAINT MANAGEMENT AND RESOLUTION

### RELEVANT SA8000 DEFINITIONS

None specific to Complaint Management and Resolution

### SA8000 REQUIREMENTS

- 9.6.1 The organisation *shall* establish a written grievance procedure that is confidential, unbiased, non-retaliatory and accessible and available to personnel and interested parties to make comments, recommendations, reports or complaints concerning the workplace and/or non-conformances to the SA8000 Standard.
- 9.6.2 The organisation *shall* have procedures for investigating, following up on and communicating the outcome of complaints concerning the workplace and/or non-conformances to this Standard or of its implementing policies and procedures. These results *shall* be freely available to all personnel and, upon request, to interested parties.
- 9.6.3 The organisation *shall* not discipline, dismiss or otherwise discriminate against any personnel or interested party for providing information on SA8000 compliance or for making other workplace complaints.

### IMPLEMENTATION GUIDANCE

**Complaint Management and Resolution:** How the organisation receives and addresses grievances or other suggestions from workers or interested parties.

The following section provides guidance on SA8000 9.6 Complaint Management and Resolution. Complaint management systems are increasingly expected of businesses around the world. For example, the UN Guiding Principles on Business and Human Rights (UNGPs), the most widely disseminated and cited compilation of the responsibilities of business to respect human rights, discusses organisations' responsibility to ensure effective operational level complaint management systems.

SA8000 requires organisations to provide personnel and interested parties with access to its complaint management system. The goal of a complaint management system is to establish open two-way communication between senior management, and personnel and interested parties. The benefits of effective systems may include limiting the escalation of complaints, enabling dispute resolution, and preventing future disputes by allowing organisations and complainants to learn from each other and establish or improve relationships. When done effectively, these systems facilitate dialogue between parties before disputes arise, rather than in reaction to their occurrence.

#### **Establish a Written Grievance Procedure**

SA8000 9.6.1 requires that the organisation establish a written grievance procedure that is:

- Confidential, unbiased, and non-retaliatory
- Accessible and available to all personnel and interested parties
- Open to receiving comments, recommendations, reports or complaints concerning the workplace and/or non-conformances to SA8000

SA8000 9.6.2 requires that the organisation:

- Establish procedures for investigating, following up on and communicating the outcome of complaints concerning the workplace and/or non-conformance to SA8000 or its implementing policies and procedures
- Make available results of complaint investigation to all personnel, and upon request, interested parties

The procedure must protect and ensure the confidentiality or anonymity of the person lodging feedback.

The grievance procedure must include step-by-step instructions that describe processes for:

1. Workers and interested parties to file complaints;
2. Management to investigate complaints, including complaints filed by contract workers and home workers, and complaints made against supply chain members; and
3. Management to communicate the resolution of the complaint to personnel and, upon request, to interested parties. It should also identify who is responsible for collecting and handling complaints.

Complaint management and resolution is important in any organisation and must be recognized as such by senior management. The people who are designated to handle and receive feedback are the most important factor in ensuring that the complaint management system is effective. These people must be trained and empowered to make decisions or have access to people who can make decisions. Complainants are more likely to be satisfied with the complaint management system if the person dealing with their feedback is competent, objective, responsive, and efficient. This is an important area where the SA8000 worker representative(s) should be consulted.

### **Role of Complaint Handlers**

Effective handling and prompt resolution will enhance the complainant's trust, belief, and view of the organisation's commitment to the complaint management process. In order to make this possible, those selected to handle feedback must have the appropriate skills, authority, and competency to resolve and investigate, and where appropriate, facilitate remedy and identify areas of improvement. They must also receive sufficient and appropriate training to perform their duties.

The ideal complaint handler will have the following skills, knowledge and attitude:

- Ability to act with sensitivity, objectivity, and impartiality.
- Knowledge and understanding of the organisation's complaint management and resolution policy and procedures.
- Skills to effectively interview the various participants.
- Understanding of how to work with external interested parties.
- Understanding of when to allow someone else to handle a complaint, particularly if the complaint concerns them.
- Access to people at all levels of the organisation in order to resolve complaint quickly.

Organisations must also have procedures in place to ensure that there is no discipline, dismissal or other discrimination against any personnel or interested party for providing information on SA8000 compliance or for making other workplace complaints. Based on these written procedures, organisations should routinely check to make sure that there is no retaliation against personnel who make complaints.

### **Criteria of an Effective Complaint Management System**

A healthy complaint management system is known, trusted, and easy to use. The UNGP lists eight effectiveness criteria for a complaint management system<sup>19</sup>. These criteria have been adapted for SA8000 below:

1. **Legitimate:** In order to be considered legitimate by personnel and interested parties, a complaint management system must enable trust from the stakeholder groups for whose use they are intended, and must be accountable for the fair conduct of grievance processes.
2. **Accessible:** The system is known to all stakeholder groups for whose use it is intended, and provides adequate assistance for those who may face particular barriers to access.

Barriers to access may include a lack of awareness of the mechanism, lack of ability to speak a language understood by organisation, illiteracy, cost of utilization, physical location of the organisation, and fear of reprisal. In order to have an effective complaints procedure, management needs to ensure that workers understand the complaints system. This may require management to provide a written policy in multiple languages or other accessible formats. Workers should understand that the complaints procedure is intended to collect complaints concerning the workplace and/or non-compliance to SA8000, that it is available to all personnel, and that the process is confidential, unbiased, and non-retaliatory. Suggestion boxes and open-door policies alone may not be accessible, for example, to personnel and interested parties who are unable to write comments for the suggestion box or physically come to the workplace. In this case, an alternative mechanism would have to be provided for people who are illiterate and/or who may want to speak to a specific person rather than use the open-door policy. In many organisations, personnel are afraid to use the suggestion box or approach a senior manager. An SA8000 certified organisation should make sure that personnel are comfortable using all channels for filing a complaint or making a suggestion.

3. **Predictable:** A system needs to provide a clear and known procedure with an indicative timeframe for each stage, and clarity on the types of process and outcome available and means of monitoring implementation. Predictable and trusted mechanisms provide public information about the procedure they offer. Timeframes for each stage in the complaint management and resolution process should be explained and respected.
4. **Equitable:** A system seeks to ensure that aggrieved parties have reasonable access to sources of information, advice and expertise necessary to engage in a grievance process on fair, informed and respectful terms. Personnel and interested parties often have less access to information and resources than the organisations. By not addressing this reality, organisations may inhabit a situation in which personnel and interested parties do not perceive the organisation's complaint management and resolution process as fair, which makes it more difficult to achieve resolution.
5. **Transparent:** A system needs to keep parties to a grievance informed about its progress, and provide sufficient information about the mechanism's performance to build confidence in its effectiveness and meet any public interest at stake. Transparent systems maintain people's confidence in the system through regular communication about the progress of individual complaints. Furthermore, reporting on

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<sup>19</sup> UN, "Guiding Principles on Business and Human Rights." Available at: [http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf), pg. 33-35.

the mechanism's performance to stakeholders is a key way to demonstrate the mechanism's legitimacy.

6. **SA8000-Compatible:** An SA8000-compatible complaint management system ensures that outcomes and remedies accord with internationally recognized human rights, including those stated in the UN Declaration of Human Rights, conventions of the ILO, international human rights norms and national labour laws.

A source of continual learning: A system must identify lessons for improving the system and preventing future complaints and harm. Only through regular analysis of the frequency, patterns and causes of complaints can the organisations identify and influence policies, procedures, or practices that must be altered to prevent future complaints and harm.

7. **Based on engagement and dialogue:** The system includes consultation with personnel and interested parties on its design and performance, and has a focus on dialogue as the means to address and resolve complaints. Engaging with personnel and interested parties on the design and performance of the complaint management system can help to ensure that it meets their needs, that they will use it in practice, and that there is a shared interest in ensuring its success. Since a business enterprise cannot, with legitimacy, both be the subject of complaints and unilaterally determine their outcome, these mechanisms should focus on reaching agreed solutions through dialogue.

### **Complaint Management System Record Keeping and Reporting**

SA8000 9.6.2 requires that the outcome of complaints and other feedback be freely available to personnel and interested parties. Therefore, it is essential that complaints and feedback are recorded. The recording and reporting system does not need to be overly complex; it must be able to meet the organisation's needs and can be as simple as an Excel spreadsheet. However, the system must be able to record information in adequate detail to support analysis for the purpose of continual improvement. Thus, the system should generally record the following information:

- Name, address, contact information of the person giving feedback
- Date and format of how feedback was received
- Nature of complaint: subject, issue, and demand
- Name and title of person handling feedback
- Actions planned to resolve feedback, along with dates for milestones
- Action taken to resolve and outcomes
- Date of resolution
- Communication of resolution

Overall, the goal of the system is to record and monitor the feedback, address concerns, and take corrective and preventive actions to prevent recurrence of the root causes of the feedback. Records should be used to identify, analyse, and respond to feedback trends, identify areas for continual improvement, and produce reports for senior management. Reports should state the following:

- Number of complaints/feedback received and outcomes
- Comparison with previous periods to identify trends
- Systemic issues that need to be addressed
- Potential areas for continual improvement

## 9.7 EXTERNAL VERIFICATION AND STAKEHOLDER ENGAGEMENT

### RELEVANT SA8000 DEFINITIONS

1. **Stakeholder engagement:** The participation of interested parties, including but not limited to the organisation, trade unions, workers, worker organisations, suppliers, contractors, buyers, consumers, investors, NGOs, media and local and national government officials.

### SA8000 REQUIREMENTS

- 9.7.1 In the case of announced and unannounced audits for the purpose of certifying its compliance with the requirements of this Standard, the organisation *shall* fully cooperate with external auditors to determine the severity and frequency of any problems that arise in meeting the SA8000 Standard.
- 9.7.2 The organisation *shall* participate in stakeholder engagement in order to attain sustainable compliance with the SA8000 Standard.

### IMPLEMENTATION GUIDANCE

**External Verification and Stakeholder Engagement:** How the organisation cooperates with external auditors or involves interested parties to get comprehensive input to its SA8000 implementation.

The following section provides guidance on SA8000 9.7 External Verification and Stakeholder Engagement. External verification is crucial to SA8000 implementation. External audits provide organisations with an outside perspective on their SA8000 system implementation, whether it meets the Standard and which areas to prioritize for improvement. Stakeholder engagement – engagement with external groups and interested parties - is key to sustained SA8000 compliance. External groups can provide advice and resources to help organisations develop and implement SA8000. They can act as a link between the organisation and the community, and be a valuable actor in enabling effective communication between the organisation and the workers.

#### Cooperation with External Auditors

SA8000 9.7.1 requires the organisation to fully cooperate with external auditors for announced and unannounced audits for the purpose of certifying compliance with SA8000 and determining the severity and frequency of any problems in meeting the SA8000 Standard. As noted in SAAS Procedure 200, after certification, Surveillance Audit #2 is unannounced, and Surveillance Audit #4 is unannounced in high and highest risk countries. Organisations should have procedures in place to provide external auditors with full access to the workplace, records and personnel for all of the audits in the SA8000 certification cycle, including the unannounced audit/s.

#### Participate in Stakeholder Engagement

SA8000 9.7.2 requires the organisation to participate in stakeholder engagement to attain sustainable SA8000 compliance. Therefore, organisation should develop and implement a process for effective stakeholder engagement.

#### Stakeholder Identification

The first step is to identify the relevant stakeholders, or interested parties. These are the individuals or groups concerned with or affected by the social performance and/or activities of the organisation. There are two types of

stakeholders – internal and external. Workers are an important internal stakeholder group who are engaged through internal involvement and communication (9.6). Organisations should conduct an external stakeholder identification exercise to identify groups in the community that work with labour standards issues and can help implement SA8000. Such groups include international, local and national community groups, external consultants and experts, international organisations focused on workers’ issues, trade unions or other workers’ organisations, other local and national NGOs, government ministries and industry associations. The organisation does not have to engage all of these groups but should engage groups which, based on the risk assessment, are most relevant for its SA8000 implementation. For example, if the organisation identifies gender discrimination as a risk in the workplace, it can engage with a local women’s group to learn more about the issue and ways to address it.

### **Stakeholder Engagement**

Once the relevant stakeholders/interested parties are identified, organisations should prioritize key groups for engagement. Prioritization should be based on the risks and the severity of the impacts/potential impacts and the ability of these groups to minimize or mitigate the risk. Organisations should have procedures in place to engage key interested parties; this engagement should be proactive and not only reactive to complaints or problems that have occurred. There are a variety of ways that organisations can engage with interested parties, some are listed below; organisations should use multiple strategies for proactive engagement with external stakeholders:

1. Provide a structured role in the organisation’s SA8000 implementation and progress review
2. Consult them during internal and external audits
3. Provide a structured role in monitoring SA8000 performance
4. Routinely report back to them on complaints and resolutions
5. Meet routinely to discuss labour compliance issues and risk factors
6. Use their help to conduct worker and manager trainings on specific issues
7. Work with them to initiate community improvement plans
8. Use their help to conduct worker surveys

Thus organisations should communicate regularly with key interested parties to keep them updated about their SA8000 implementation. This communication may include written communications, such as letters or emails, or verbal communication through phone calls or in-person individual or group meetings. Records should be kept of phone calls and meetings.

## 9.8 CORRECTIVE AND PREVENTIVE ACTIONS

### RELEVANT SA8000 DEFINITIONS

1. **Non-conformance:** Non-compliance with a requirement.
2. **Corrective action:** Action to eliminate the cause(s) and root cause(s) of a detected non-conformance. Note: Corrective action is taken to *prevent recurrence*.
3. **Preventive action:** Action to eliminate the cause(s) and root cause(s) of a potential non-conformance. Note: Preventive action is taken to *prevent occurrence*.

### SA8000 REQUIREMENTS

- 9.8.1 The organisation *shall* formulate policies and procedures for the prompt implementation of corrective and preventive actions and shall provide adequate resources for them. The SPT *shall* ensure that these actions are effectively implemented.
- 9.8.2 The SPT *shall* maintain records, including timelines, that list, at minimum, non-conformances related to SA8000, their root causes, the corrective and preventive actions taken and implementation results.

### IMPLEMENTATION GUIDANCE

**Corrective and Preventive Actions:** How the organisation addresses risks and gaps in its SA8000 implementation and makes system changes to prevent recurrence and drive continual improvement.

The following section provides guidance on SA8000 9.8 Corrective and Preventive Actions. As noted above, corrective actions are taken to prevent the recurrence of specific non-conformances identified during an audit, while preventive actions are taken to prevent the occurrence of a potential non-conformance.

#### Implementation of Corrective and Preventive Actions

SA8000 9.8.1 requires the organisation to formulate policies and procedures for the prompt implementation of corrective and preventive actions and to provide adequate resources for their implementation. The organisation should formulate policies and procedures as explained in 9.1 Policies, Procedures and Records.

Based on the results of the risk assessment and monitoring, the organisation should conduct root cause analysis to understand the underlying causes of issues in the workplace. The root cause analysis is used to take corrective actions to address non-conformances and to improve the management system to prevent the non-conformance from recurring. In addition, the root cause analysis may identify additional preventive actions to that could be taken to reduce the occurrence of workplace issues that escalate to become non-conformances. In order to effectively implement corrective and preventive actions, the organisation should create action plans that include objectives, targets, timeframes and proper allocation of resources.

It is important for organisations to obtain input from a wide range of stakeholders as they determine the appropriate corrective and preventive actions. The list of sources below is non-exhaustive, but organisations can use it as guidance for key sources to consult:

- Conversations with workers, since they are the ones most impacted by the non-conformance and have a unique and valuable perspective
- Conversations with local organisations that understand workers' issues, especially trade unions
- Conversations with managers and supervisors of relevant areas
- Review of previous corrective and preventative actions take and their results
- Research on best practices
- Results of root cause analysis to ensure that actions address underlying causes
- Physical inspections of the workplace, and internal documents and records
- Guidance provided by customers and/or local government agencies
- Advice from external consultants and experts
- Documentation provided by suppliers/subcontractors, private employment agencies and sub-suppliers to address issues in the supply chain

Root cause analysis is a method of problem solving that focuses on finding the underlying cause of the problem. Root cause analysis is commonly used in quality management systems to identify why a product is defective. The goal is to identify the "root cause" of the problem and to improve the system to prevent the problem from recurring. There are several benefits to doing root cause analysis. The systematic approach provides an organized and consistent way to evaluate problems. More important, once the root cause is found, the organisation can take targeted action to address the specific non-conformance, as well as to improve the system to reduce or eliminate the problem from recurring.

Conducting a root cause analysis is done by asking a series of questions:

- What happened?
- How did it happen?
- Why did it happen?

One simple technique for doing root cause analysis is the "5 Whys." To use this technique, organisations should consider the main problem and ask "why" five successive times in response to the issues that emerge. With each successive "why," they will gain a deeper understanding of the underlying systematic factors that caused the problem. The organisation should use multiple sources of information to conduct the root cause analysis including conversations with workers, supervisors, managers and relevant external stakeholders.

### **The Role of the SPT**

SA8000 9.8.1 also requires the SPT to ensure that the corrective and preventive actions are effectively implemented. The SPT is not responsible for implementing the actions, but should facilitate and monitor the implementation of corrective and preventive actions. Specific individuals within the organisation should be held responsible and accountable for the implementation of corrective and preventive actions relevant to their job function. For example, the Health and Safety Manager should be responsible for ensuring that corrective and preventive actions related to health and safety non-conformances are implemented.

Ideally, the SPT would take the lead in conducting the root cause analysis and developing the corrective and preventative action plans. Because the SPT is cross-functional and includes workers, supervisors and managers, it is well-positioned to gain a better understanding of underlying issues and to develop actions that are practical to implement, but still get at the root cause of the problem.

### **Maintenance of Records**

SA8000 9.8.2 requires the SPT to maintain records that list, at a minimum, the non-conformances related to SA8000, their root causes, the timeline for addressing the non-conformance, the corrective and preventive actions taken and the results.

The SPT is responsible for maintaining records of the actions and the corresponding results so it can track and report on the organisation's progress to senior management.

## 9.9 TRAINING AND CAPACITY BUILDING

### RELEVANT SA8000 DEFINITIONS

1. **Personnel:** All individuals employed or contracted by the organisation, including but not limited to directors, executives, managers, supervisors, workers and contract workers such as security guards, canteen workers, dormitory workers and cleaning workers.

### SA8000 REQUIREMENTS

- 9.9.1 The organisation *shall* implement a training plan for all personnel to effectively implement the SA8000 Standard as informed by the results of risk assessments. The organisation *shall* periodically measure the effectiveness of training and record their nature and frequency.

### IMPLEMENTATION GUIDANCE

**Training and Capacity Building:** Organisation actions to train its personnel and develop their attitudes, skills and knowledge to effectively implement SA8000.

The following section provides guidance for organisations on the implementation of Element 9.9: Training and Capacity Building. Training and capacity building are essential to ensure that workers and managers across the organisation have the necessary skills and knowledge to implement SA8000.

#### Training Plan

SA8000 9.8.1 requires the organisation to carry out a training plan for all personnel to effectively implement the SA8000 Standard as informed by the results of risk assessments.

The goal of training is to create a common understanding and a common language about SA8000 implementation. An effective management system is implemented by trained, committed people who routinely follow procedures, so training is a critical element of SA8000. The specifics of the training and the level of detail will vary depending on the department and the job function, but it is important that the organisation communicates a clear and consistent message.

Based on the risk assessment and the results of any internal or external monitoring, the training plan should outline the specifics of the training and the level of detail necessary for each job function and department. Training should be tailored so that each individual at the organisation has the necessary skills and knowledge to contribute to the organisation's SA8000 implementation.

SA8000 should be a part of the training provided to all new personnel, including contracted workers, during the onboarding process. It is important for the organisation to send a clear message to all new personnel that SA8000 is an important part of how it operates. Beyond the introductory training, all personnel should receive some ongoing training to build their awareness of SA8000 and ensure that they have a basic understanding of the Standard and their rights and responsibilities.

In addition, members of the SPT need more extensive training to ensure that they have the skills and knowledge to enable them to perform all of the team's duties, such as facilitating corrective and preventive actions and

conducting internal audits. The managers and workers on the team will also benefit from training on management systems, root cause analysis, leadership, effective communication, change management and how to train others.

Finally, the training plan should include training that is specific to the organisation's key risks, as identified during the risk assessment. For example, if the organisation has prioritized chemical handling as a key risk, it should provide specialized training to all workers who regularly handle chemicals to ensure that they know the procedures and how to follow them, and also know exactly what to do in case of emergency.

Ongoing training can be provided through a variety of methods. Examples of forms of training include: classrooms with live instructors, training manuals, prerecorded computer-based training, live webinars, group discussions and role-plays (in order to ensure that the learners absorb the information). The organisation should provide on-going training. Individuals will not fully learn the necessary skills and knowledge in a one-hour training once a year; so training should be conducted on a regular basis to ensure that personnel remain up-to-date on SA8000 and their role in its implementation. Training should also be progressive and build personnel's skills so that all individuals at the organisation can fulfill their duties related to SA8000 implementation. The communication channels established as part of 9.5 Internal Involvement and Communication can all be used as means to build awareness of SA8000.

### **Measure Effectiveness**

SA8000 9.9.1 requires the organisation to periodically measure the effectiveness of training and record their nature and frequency.

The organisation should maintain records of the training plan and its implementation. The primary record is the training log, which should track who has been trained. The effectiveness of each type of training can be measured in a variety of different ways, such as quizzes at the end of the course, surveys after a certain period of time, or performing drills that demonstrate the skills taught during the training. The results should be recorded in the training log. Generally, if training participants recall 50% of what was learned during the training after three months, this demonstrates some success. However, the ultimate measure of training effectiveness is the level of implementation of SA8000 at the organisation.

There are different ways to assess the effectiveness of training. One example is the Kirkpatrick Model, which has four levels of assessment.<sup>20</sup> Organisations can use these methods and maintain evidence of doing so. Level 1 assesses training participants' reaction to the training. Examples of methods of assessing this level are completed participant feedback questionnaires, informal comments from participants, and focus group sessions with participants. Level 2 assesses what information training participants learned. This can be assessed through pre- and post-training test scores, on-the-job assessments and supervisor reports. Level 3 assesses how the training impacts the participants' behavior. This can be assessed through completed self-assessment questionnaires, on-the-job observation of participants, and reports from peers and supervisors about the behavior changes (as opposed to just knowledge gained). Lastly, Level 4 assesses how the training leads to results. This can be assessed through a review of higher level documentation, such as financial reports (e.g. chemical handling training course saved X amount in chemical expenses), quality inspections (to show how training actually impacts quality), or other human resources reports (e.g. reduced turnover or absenteeism).

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<sup>20</sup>The Kirkpatrick Model. Available at: <http://www.kirkpatrickpartners.com/OurPhilosophy/TheKirkpatrickModel>

## 9.10 MANAGEMENT OF SUPPLIERS AND CONTRACTORS

### RELEVANT SA8000 DEFINITIONS

1. **Home worker:** A person who is contracted by the organisation or by its supplier, sub-supplier or subcontractor, but does not work on their premises.
2. **Private employment agency:** Any entity, independent of the public authorities, which provides one or more of the following labour market services:
  - a. Matching offers of and applications for employment, without the agency becoming a party to the employment relationship(s) which may occur;
  - b. Employing workers with a view to making them available to a third party entity, which assigns their tasks and supervises the execution of these tasks.
3. **Risk assessment:** A process to identify the health, safety and labour policies and practices of the organisation and to prioritise associated risks.
4. **Supplier/subcontractor:** Any entity or individual(s) in the supply chain that directly provides the organisation with goods or services integral to, utilised in or for the production of the organisation's goods or services.
5. **Sub-supplier:** Any entity or individual(s) in the supply chain that provides the supplier with goods and/or services integral to, utilised in or for the production of the supplier's or the organisation's goods or services.
6. **Significant risk:** one that has a high likelihood of occurring and/or would have a highly severe impact if it did occur.
7. **Reasonable effort:** targeted actions intended to make the most measurable improvements, balanced by the type, size, influence, resources and leverage of the organisation.

### SA8000 REQUIREMENTS

- 9.10.1 The organisation *shall* conduct due diligence on its suppliers/subcontractors, private employment agencies and sub-suppliers' compliance with the SA8000 Standard. The same due diligence approach *shall* be applied when selecting new suppliers/subcontractors, private employment agencies and sub-suppliers. The minimum activities for the organisation to fulfill this requirement *shall* be recorded and *shall* include:
- a. effectively communicating the requirements of this Standard to senior leadership of suppliers/subcontractors, private employment agencies and sub-suppliers;
  - b. assessing significant risks of non-conformance by suppliers/subcontractors, private employment agencies and sub-suppliers. [Note: an explanation of "significant risk" is found in the guidance document];
  - c. making reasonable efforts to ensure that these significant risks are adequately addressed by suppliers/subcontractors, private employment agencies and sub-suppliers and by the organisation where and when appropriate, and prioritised according to the organisation's ability and resources to influence these entities; [Note: an explanation of "reasonable effort" is found in the guidance document]; and
  - d. establishing monitoring activities and tracking performance of suppliers/subcontractors, private employment agencies and sub-suppliers to ensure that these significant risks are effectively addressed.

9.10.2 Where the organisation receives, handles or promotes goods and/or services from suppliers /subcontractors or sub-suppliers who are classified as home workers, the organisation *shall* take effective actions to ensure that such home workers are afforded a level of protection substantially equivalent to that afforded to the organisation's other workers under the requirements of this Standard.

## IMPLEMENTATION GUIDANCE

**Management of Suppliers and Contractors:** What the organisation does to conduct due diligence on its business partners and encourages them to implement SA8000 and improve.

The following section provides guidance on SA8000 9.10 Management of Suppliers and Contractors.

### Due Diligence

In order to promote socially responsible practices throughout its supply chain, SA8000 9.10.1 requires the organisation to conduct due diligence on its suppliers/subcontractors, private employment agencies and sub-suppliers (i.e. business partners). It requires the organisation to consider the results of the due diligence processes when selecting new business partners, when evaluating current business partners, and when making purchasing decisions. Under SA8000 9.10, due diligence consists of:

- Identifying supply chain members
- Communicating about SA8000 expectations
- Risk Assessment
- Risk management
- Monitoring and tracking performance

The scope of the initial due diligence process includes any organisation or individual in the organisation's goods and services supply chain, but the risk assessment process enables the organisation to prioritize higher-risk business partners for engagement and monitoring. The Standard does not demand that all suppliers/subcontractors be fully compliant with the SA8000 standard, nor does it require the organisation to facilitate SA8000 certification of its suppliers/subcontractors. SA8000 does, however, require the organisation to leverage its control and influence throughout its supply chain in order to encourage socially accountable practices among its suppliers/subcontractors, private employment agencies, and sub-suppliers.

In order to meet SA8000 9.10 requirements, the organisation should first identify its supply chain members, including all direct suppliers, private employment agencies, sub-suppliers and sub-contractors. The supply chain includes companies or individuals that supply products and services to the organisation, such as raw materials used for production, finished goods to be used within the organisation, outsourced services such as catering or temporary labour supply, and entities to which a part of the production process is subcontracted. The organisation should first identify all direct suppliers. Each of these suppliers has its own sub-suppliers and sub-contractors that are also part of the supply chain. The organisation should ensure that it knows about all sub-suppliers and sub-contractors that are providing goods or services. Supply chain mapping is encouraged and can be a useful tool to identify and record supply chain entities and their relationships with each other.

In developing its list, the organisation should not only include first-tier and direct value-chain suppliers, but also those lower down in the supply chain, as they can present major risks to the organisation. For example:

- In labour-intensive operations, it is common for suppliers/sub-contractors to use sub-suppliers to perform specific production functions or to provide additional capacity during peak periods. Some may also use sub-suppliers to reduce costs, or reduce supply chain transparency, in some cases to evade legal obligations, which can pose a risk to the organisation.
- Private employment agencies may use exploitative practices that can make workers vulnerable to forced or compulsory labour.
- Suppliers or sub-contractors that are not in the direct value-chain (such as janitorial services, grounds maintenance, transportation, or facility security) may be less visible, but may also present a significant social performance risk to the organisation.

### **Effectively Communicate Requirements**

Through the organisation's due diligence process, it should effectively communicate the requirements of the Standard to senior leadership of its suppliers/subcontractors, private employment agencies and sub-suppliers. As a first step, the organisation should send a number of documents, including the SA8000 Standard, the organisation's SA8000 policy statement, and other information concerning its expectations for their social performance. These business partners should acknowledge receipt of the documents and confirm their acceptance of the requirements. The expectations should be reinforced through other business interactions with the organisation's suppliers/subcontractors, private employment agencies and sub-suppliers as well (e.g. meetings, site visits, order placements, etc.)

Because of the high probability and potential consequences of social performance risks associated with private employment agencies, the organisation is expected to invoke specific, additional, legally enforceable requirements with such entities. These are to be communicated, established and agreed via a contract.

### **Assess Significant Risks**

Conducting due diligence also includes the assessment of significant risks of non-conformance by suppliers/subcontractors, private employment agencies and sub-suppliers.

Once the organisation has identified its supply chain members, it can conduct a risk assessment. A supply chain risk assessment should consider risks associated with all aspects of SA8000 and should be based on a variety of different factors, such as: (this list is non-exhaustive.)

- Geographical region and/or country
- Degree of regulatory oversight
- Industry or product category
- Production process within the product category
- Nationality or ethnic differences between owners, managers, supervisors and workers
- Certification to labor standard or adherence to rigorous corporate or industry labor code
- Presence of management systems for internal and supply chain labor standards performance
- Estimated number of sub-suppliers and sub-contractors
- Percent of supplier's business that the organisation represents
- Difficulty of replacing the supplier
- Labor relations and legal history
- Number of workers
- Ownership/management structure

- Use of home workers

In order to identify and categorize risks, the organisation should use multiple sources of information such as: (this list is non-exhaustive)

- Results of internal or external audits
- Corrective action plans and results
- Annual improvement plan
- Physical inspection and review of relevant documents
- Interviews with workers and managers
- External stakeholder consultation
- Review of complaints about working conditions
- Self-assessments
- Publicly available information (reports, news articles, etc.)

The organisation should then evaluate these risks. The risk assessment for the supply chain could be linked to the risks associated with the supplier's operations vis-a-vis the elements of the SA8000 Standard. It should specifically address risks posed by the supplier's operations, such as vulnerability to child labour, migrant labour issues due to location of work, reputational risks due to corruption, international regulations on use of banned substances etc. The helpful methodology for this process is to assess the risk by likelihood and severity. A significant risk is one that has a high likelihood of occurring and/or would have a highly severe impact if it did occur. Based on this assessment, the organisation should prioritize further engagement with and monitoring of business partners that present the most significant risk. In identifying and prioritizing suppliers/subcontractors, the organisation may choose to additionally focus on the qualifications and performance of primary suppliers and subcontractors, and those where it has a significant amount of control or influence over the workers or communities.

### **Reasonable Effort**

Based on risk assessment results including verification that the risky areas actually have problems, and subsequent determination of high-risk business partners, the organisation is required to make reasonable efforts to ensure that significant risks are adequately addressed. Reasonable efforts are targeted actions intended to make the most measurable improvements, balanced by the type, size, influence, resources and leverage of the organisation. This may include facilitating or providing training or other resources to prioritized suppliers or including them in capacity building programs, depending on the resources and ability of the organisation.

The rigor the organisation applies to the evaluation and promotion of socially accountable practices throughout the supply chain should be commensurate with the risk significance of the supplier/subcontractor or sub-supplier, as well as the organisation's own ability and resources. If a supply chain member provides evidence of engaging in socially accountable practices or adequately demonstrates independently verified adherence to acceptable social performance standards, then this may be considered a mitigation of risks. In such cases, the extent to which the organisation engages in further risk management, monitoring, performance tracking and evaluation may be reduced.

### **Establish Monitoring Activities and Track Performance**

Based on the risk assessment results, SA8000 requires the organisation to establish monitoring activities to track performance of prioritized suppliers/subcontractors, private employment agencies and sub-suppliers to ensure that significant risks are effectively addressed.

The organisation should conduct monitoring activities of prioritized supplier/subcontractor's performance on an ongoing basis. Monitoring records should demonstrate that an organisation is tracking adherence through mechanisms such as (but not limited to) audits, contractual agreements, communications, corrective action plans and follow-up. They could also track supplier/subcontractor social performance and improvement, if possible.

Unannounced monitoring visits are recommended as a highly effective tool for verifying compliance of suppliers/subcontractors and sub-suppliers; nevertheless, the organisation should respect the privacy of home workers and their family members, and obtain approval from (or at least inform) those workers of an acceptable format for such monitoring activities.

### **Protection of Home Workers**

SA8000 9.10.2 requires the organisation to take effective actions to ensure that home workers are afforded a level of protection substantially equivalent to that afforded to other workers. That is, home workers' rights and expectations related to SA8000 Requirements 1-8 should be respected by their employers.

Around the globe, over 100 million people work from their homes.<sup>21</sup> Estimates suggest that home workers make up 10 to 25 percent of non-farm workers in the Global South and approximately 5 percent of workers in the Global North.<sup>22</sup> And these numbers are rising. In South Asia in 2000, 35 percent of all women in the labor force were home workers; in 2005, that number grew to 51 percent.<sup>23</sup> Home workers are among the most vulnerable workers; since the home is their workplace, they are effectively invisible to the rest of society and are often purposely or inadvertently excluded from labor laws.

Key risk areas for home workers that organisations should seek to address:

1. **Remuneration:** Home workers are often paid through a piece-rate system and receive a set payment for what they produce. As a result, most make less than their local minimum wage. As noted above, the piece-rate system can often lead to exploitation. Most home workers are unaware of their legal rights. Many home workers have to cover most, if not all, of their production costs from their own income, which further decreases their overall pay.<sup>24</sup> As a result, home workers receive lower wages than what workers in similar positions receive for work outside of the home.
2. **Working Hours:** Home workers are also vulnerable to fluctuations in market demand, and may work as many as 15 hours or more per day in an attempt to produce as much as possible during busier production periods.<sup>25</sup> However, when demand is low, they may not work at all, and therefore receive no payment.
3. **Abuse:** Home workers are also vulnerable to abuse by intermediaries who bring them their raw material for production. These intermediaries are often not regulated by organisations or the government and can harass workers with no consequences.
4. **OHS:** Lastly, home workers may be subject to toxic or unhealthy work conditions within their homes due to tasks they must perform and the use of hazardous production materials, which can also impact their families.<sup>26</sup>

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<sup>21</sup> Note: This does not include domestic work; Women in Informal Employment: Globalizing and Organizing (WIEGO), "Home-Based Workers." Available at: <http://wiego.org/informal-economy/occupational-groups/home-based-workers>

<sup>22</sup> See above.

<sup>23</sup> HomeNet South Asia, "History of Homebased Workers." Available at: <http://homenetsouthasia.net/history.html>

<sup>24</sup> ETI, "Home workers and Home working: An Introduction." Available at: [http://www.ethicaltrade.org/sites/default/files/resources/Home\\_workers%20and%20home\\_working.pdf](http://www.ethicaltrade.org/sites/default/files/resources/Home_workers%20and%20home_working.pdf)

<sup>25</sup> WIEGO, "Home-Based Workers."

<sup>26</sup> ETI, "Home workers and Home working: An Introduction."

Where home workers are identified in the supply chain, the organisation should prioritise dialogue with private employment agencies and sub-suppliers that potentially use home workers to influence control and allocate resources to help address risks.

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