Introduction

This Guidance is intended to provide some interpretation and examples of application of SA8000's requirements for auditors and other users of the Standard. It is not intended to be comprehensive and does not include all matters of interpretation or implementation that arise when applying SA8000 to the workplace.

This brief Guidance Document is amplified by several other sources providing additional and updated interpretive information for applying SA8000. You will find these sources at SAI’s website and Frequently Asked Questions (FAQs). When read together with this Guidance, most questions concerning the application of SA8000 to any particular worksite issue should be answered. An inquiry to FAQ would result in the interpretive answer to any question not addressed in these materials.

Note: Some words and phrases in this Guidance Document are in *italics* or **bold** print. These are meant for emphasis to aid in the reader’s understanding only. They are not meant to change any portion of the Standard itself.

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Note on Structure:

The consolidated guidance will be uploaded to the SAI website as a webpage <www.sa-intl.org/SA8000> that will include the text of the section “About the Standard”, only a list of the titles of Standard’s main sections I, II, III & IV.1-IV.9, and hyperlinks to “SA8000® Certification”, SA8000 Accreditation (Application Package), “SA8000 for Download”, “SA8000 Translations” and “SA8000 Complaints Process”. Each section title (e.g. III. Definitions and VI.1 Child Labour) will be a hyperlink to a sub-page of the SA8000 main page.

Each “element page” (e.g. SA8000: 1. Child Labour) will list its own sections and subsections, the titles of which will be hyperlinks to its own page, to avoid overly long pages and to provide the option of printing the separate sections. On the side-bar, an outline of the SA8000 “section” of the website will enable the user to navigate without having to click “back” on the browser. In this draft of the element page for Child Labour, the main sections I, II and III are separated by page-breaks.

SA8000: 1. Child Labour

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I. SA8000 Standard: 1. Child Labour

I.A. SA8000: 1. Child Labour Requirements

1.1 The company shall not engage in or support the use of child labour as defined above.

1.2 The company shall establish, document, maintain, and effectively communicate to personnel and other interested parties, policies and written procedures for remediation of children found to be working in situations which fit the definition of child labour above, 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 by SA8000.

1.3 The company may employ young workers, but where such young workers are subject to compulsory education laws, they may 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 company 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.


Definition of child: Any person less than 15 years of age, unless the minimum age for work or mandatory schooling is stipulated as being higher by local law, in which case the stipulated higher age applies in that locality.

Definition of young worker: Any worker over the age of a child, as defined above, and under the age of 18.

Definition of 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.

I.C. Intent, SA8000: 1. Child Labour

SA8000 prohibits child labour. SA8000 allows for youth labour, provided there are adequate protections for the youth workers. The intent of this clause is to protect children from exploitation in formalized workplace settings, which comprise the majority of SA8000 certifications.

Central to this requirement is that the company: provide remediation for any children who are working for the company (or partial remediation for youth found to be working excessively); and that the company ensures special protections are in place to ensure the wellbeing of youth workers. Depending upon the age of the child in need of remediation, educational facilities may need to take the form of day care, primary education, secondary or vocational education.

I.D. Interpretations, SA8000: 1. Child Labour

1. Employment of children under 15 under ILO Convention 138 developing country exception:

In most places, employing a child under 15 is considered child labour. However, the SA8000 Standard references ILO Convention 138 among the normative elements, which allows for developing country exceptions to the minimum age of 15 (article 2.4). The exception allows countries to establish the minimum age of 14. The countries 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, Ecuador, 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, South Sudan, Sri Lanka, Sudan, United Republic of Tanzania, Togo, Uganda, Bolivarian Republic of Venezuela, Yemen, Zimbabwe. (This list is current as of February 2013; SAI will update the list as necessary).

Additionally, the SA8000 definition of child labour references the corresponding ILO Recommendation 146 on the Minimum Age for Admission to Employment, which outlines the care to be taken for young workers and the goal of raising the minimum working age:

“(1) Members should take as their objective the progressive raising to 16 years of the minimum age for
admission to employment or work specified in pursuance of Article 2 of the Minimum Age Convention, 1973.

(2) Where the minimum age for employment or work covered by Article 2 of the Minimum Age Convention, 1973, is still below 15 years, urgent steps should be taken to raise it to that level. ILO Recommendation 146: 7.1-2.

2. In jurisdictions that define young workers as older than 15, the SA8000 Standard, as with all of its requirements, requires application of the provision that is most protective of workers. For example, in China, 15 or 16 years of age is to be considered a young worker for a company seeking SA8000 certification, because Chinese law classifies young workers as being between 16 and 18 years old.

3. In addition to a clear policy against employing children, the company is required to have a written policy for a remediation program, even if this written statement raises concerns that the company has previously employed children. The written policy is to include a remediation program if a child is found to be working, even when mistakenly/accidentally hired. Companies can phrase the statement in such a way that does not raise suspicion; e.g.: 'The company is committed to ensuring child labour is not used, management has defined a remediation plan in keeping with the SA8000 requirements and for use in the event such a case ever arises.'

Even where a country has an exemplary record of protecting its own children, there may still be migrant workers’ children at risk or a similar situation. Such procedures, which can be very simply written, are planned in order to cope with unintended problems. Although child labour is illegal in many countries, it still may occur there; therefore, companies need to have a written program to obtain SA8000 certification.

I.E. Implementation, SA8000: 1. Child Labour

1. Company policy and planning:
In order to be certified, companies must have a defined company policy and remediation plan, whether or not children are found to be working in the factory. The policy and plan should be effectively communicated to workers, any workers below the legal minimum age to work, and their families.

a) The company should be prepared to protect underage workers and to enrol them in a long-term program (until each child is 15 or exceeds compulsory schooling age as required by national legislation, whichever is higher) so as to remove child workers from the workplace, to help enrol them in school, and to ensure they do not suffer more than if they were to remain working. The company should work with the child’s parents and local social service organizations (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) The company should have a clear policy regarding the employment of young workers, and any company that may at any time consider 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.

c) Effective procedures for avoiding hiring children shall exist prior to certification. This may involve additional training for managers and/or a program in collaboration with local health workers or school administrators who may be better able to monitor child workers.

The complexity and the level of detail in the policy should be commensurate with risk. For example, in an industry where child labour is highly uncommon, the company policy may be a simple statement and stated procedures in the hiring process.

Long-term alternatives to the use of under-age workers - The causes of child labour are complex. Poverty, the main cause, is exacerbated by the lack of social and educational services and other developmental opportunities. Child labour, in turn, perpetuates poverty. The principal means to eradicate child labour is self-compliance by employers, governmental enforcement, industry/trade incentives, and the government’s provision of minimally adequate social, development and educational services for children, so that the private cost-burden is not an issue. Companies can help prepare children to take jobs in the industry through age-appropriate training programs. At the same time, they can support/collaborate with local government or NGOs in creating schools. In most cases, supporting improvements to the state educational system should be prioritized. Auditors should be aware of local efforts, such as those in India where the child labour laws require the state to remedy child workers; companies should be working closely with those programs.
2. Effectively communicating a company’s child labour remediation policies and procedures to personnel and other interested parties:

This may involve such techniques as translating communications into relevant languages, distributing them at worksites on and off a company’s premises or maintaining a communications contact list of other interested parties. Informing other interested parties will require some outreach or accessibility to relevant child welfare organizations and governmental and NGO representatives.

3. Provide adequate financial and other support:

The company 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 a company’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, and the like. It may also include establishing and maintaining a school or effective educational services in underserved areas with, for example, an alliance with local government and NGOs. “Other” required support would include such action as hiring the child’s next available family member or if that proves unfeasible, providing for a family stipend to replace a child’s lost wages. This may include providing support for the establishment of an operating educational facility, which may take the form of day care, primary education, secondary or vocational education. These supports must be effective, complete, and verifiable.

In some countries national law requires that once a child worker is found, he/she should be sent home or transferred to his/her parent or guardian’s custody immediately. In taking this type of action the company should inform and involve government and NGO experts (See case study on the Brazil Model, section III.B.)

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 primary remedy unless or until repatriation to the family is an equal or better option.

The need to protect under-aged 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 engaged in hazardous work or any worst forms of labour (see Section III) should be taken out of work and immediately enrolled in a remediation program, as prescribed by the national legislation and the intent of SA8000. They should not simply be dismissed.

The remediation program should be evaluated by the auditor to assess its effectiveness in educating the child. Since these children may be illiterate and, in some cases not allowed to attend local school if they are migrants, the company would do best to work with local government and development organizations to develop its own plan for ensuring that the children get an education. Local schools may view such children as special needs requiring special attention and costly care and supervision. The children themselves may also be uncomfortable socially and balk at attending public schools. It is thus important that the company develop a program that will effectively encourage children to learn and to stay at the facility and attend classes rather than leave the job and go to another factory to earn money. Although it is up to the discretion of the company, it would be most effective for the company to replace lost income for the child by hiring a sibling in the family (or other family member) or simply paying the child the same salary for attending the school or class.

4. Under no circumstances shall any young worker’s school, work, and transportation time exceed a combined total of 10 hours per day: ILO Convention 33, Article 3C, limits the amount of light 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 light work to no more than 7 per day. SA8000 has additional provisions which 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.

5. Night hours: Young workers can 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. ILO 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 children and young workers to work after nightfall.
6. Hazards at work: In addition to the types of hazards at work listed under the section on health and safety (See Chapter 5), children and young workers, which includes those still below the legal school-leaving age of a state or locality, whether attending school or not, are not permitted to 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 children or young workers.

7. Physical and mental health and development: Additionally, a company may not expose children and 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 that a company protects young workers at all times and never involves them in any activity or experience that could damage their health or their mental and moral development. This language requires the company to ensure that young workers are only engaged in age-appropriate work, work sites and activities. SA8000 also requires that a company protect these workers’ moral and ethical needs, in addition to their physical and mental ones.
II. Auditing Considerations, SA8000: 1. Child Labour


The following are examples of some issues that auditors should review. This list is neither exhaustive, nor is every item obligatory. Auditors should adapt and/or expand the list and create a specific auditing strategy depending on the production facility and other local conditions (e.g. history and/or pervasiveness of child labour in the workplace or community).

1. Categories of work

When conducting audits, auditors should make efforts to determine the actual nature of different categories of work done by workers under 18 years of age – working from a clear understanding of hazardous, non-hazardous and light work.

a) Hazardous work

Per ILO Conventions 138 and 182 and SA8000 requirements, the minimum age for eligibility to perform any type of hazardous work shall not be less than 18 years of age. A guiding principle for defining hazardous work comes from ILO Convention 182, article III.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.” A fuller summary of ILO Convention 182 and the definition of hazardous work appear in section III below. The minimum age of 16 years may apply under strict conditions, if for instance, the health, safety and morals of the young workers are fully protected and they receive adequate instruction, supervision, and vocational training in the relevant branch or activity (see summary of Convention 182 below for a definition of hazardous work). For other worst forms of work undertaken (please refer to ILO Convention 182 or the background section of this chapter for details), 18 years is the minimum age required.

b) Light Work

Not all work undertaken is necessarily harmful to children. For instance, household chores and light work for training and educational purposes may benefit their development. Per ILO Convention No 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.

In most countries, the general minimum age for admission to employment (provided it is non-hazardous) is 15-years or older and not less than the age for completion of compulsory education. In some countries, children can undertake light work at age 13 provided such work does not affect their health and education.

Children who are between 12 and 15 years of age (if national legislation permits them to carry out light work under ILO recommendation 146) and young workers (e.g. older than 15, but not having completed compulsory education yet) cannot be employed during school hours or after dark (8PM-8AM per ILO Convention 33). According to ILO Convention 33, the duration of light work should not exceed 2 hours per day during school days and/or public holidays and the combined hours of work and school should not exceed 7 hours per day. SA8000 includes transportation time in the total of 10 hours per day allowed for school, work and transit time. Auditors should conduct a thorough investigation to determine whether working conditions affect the children’s health and safety in any way and whether those children 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 youth between 15 and 18 (young workers) are working, even if it is part-time/light work or they are hired under apprenticeship arrangements, the company should have guidelines in place for the types of employment conditions that are acceptable for employees under the age of 18. The company should also make sure that they are kept away from dangerous equipment and that the conditions of work will not endanger their health. Young workers should be safeguarded immediately from dangerous equipment, toxic chemicals, and excessive working hours. Auditors must check for environmental health and safety non-conformances generally, but they should also look for situations that, while safe for adults, may pose 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.
Other than health and safety risks, underage 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. Auditors should look at these types of issues carefully and determine whether a company’s policies and management procedures in this area meet national legislation and the SA8000 requirements.

Underage work is such a critical issue that we recommend auditors apply extra vigilance throughout the auditing process. If auditors find evidence of child labour, they should consider arranging follow up visits or investigation, even beyond the routine auditing schedule, to make sure the underage workers receive due protection and remediation.

2. Detecting Child Labour

Often it is not easy to know at the outset whether or not a facility has a serious problem with underage workers, especially in the case of small subcontractor facilities, homework 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, especially in identifying facilities where children were recently fired [in anticipation of an audit].

Detection can be difficult, given the ease with which birth certificates and work permits can be falsified. 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, etc., for any possible discrepancy. In any case, under SA8000 the employer is accountable, even if underage workers used falsified identification to get the job. SA8000 requires evidence that the employer has functioning management systems and ongoing procedures to prevent and remedy such situations.

Often, youth in developing world 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 should reference. One of the most effective approaches to detect the use of child labour, however, is to conduct careful interview with these young looking workers and their peer workers (please refer to Section II-C: Worker Interview Strategy).

It is also helpful if auditors review employee records from six months prior to the audit in order to determine if there are patterns of underage workers having been fired in preparation for the audit. In those cases where companies have released underage workers during the previous six months they will be expected to make a good faith effort to recall the children and bring them into the remediation program until they are of legal age.

Another significant challenge is to determine whether the company applying for certification contracts out production to home workers, and if so, to what extent. In many developing countries, it is normal 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 requirement, and little or no health and safety protection. Possible approaches to carrying out such investigations include but are not limited to: checking production capacity against output and business orders; interviewing workers and management; consulting with government agencies, local trade unions, NGOs, and community groups (such as home-worker organizations); 7 and, if possible, arranging interviews and meetings with the children working at home.

Because of the complexity of detection, some certification bodies hire a local NGO to conduct interviews in the areas where workers live. Families are asked the ages of their children and whether they are regularly in school or work; school teachers and local health clinics are consulted as well. In industry sectors or countries where there is a recent history of child labour, audit teams will do best to hire local NGO or community organization representatives. If children (and parents) are not aware of remediation programs, they may believe it is in their interest (as well as their employers’ interest) to conceal child labour. Often, only people who are well-connected in the community and have the trust of the community are able to uncover child labour.
II.B. Evidence of Compliance, SA8000: 1. Child Labour

The following are some examples of evidence that may indicate compliance with SA8000. This list is not exhaustive, nor is every item obligatory. Moreover, fulfilling every item on the list does not guarantee compliance. Auditors should adapt or expand this list depending on the context and on what they find during actual audits. Workers’ statements should remain confidential to prevent potential retaliation.

1. Compliance with local and national legal requirements is evident through cooperation with government, social service, and/or department of labour inspection agencies and through local union and NGO verification.

2. Documentation of hours of work indicates special schedules and duties for child and young workers and the production schedules do not evidence any hidden work (e.g. more production than would be feasible according to the documented hours worked).

3. Documentary evidence exists for proof of age upon recruitment, including copies of such documents as birth certificates and religious or other local records or passports.

4. Apprenticeships are not being misused in order to pay young workers less than adults, while demanding the same amount and kind of work from them; payroll records show that young workers receive equal pay for equal work and apprenticeship schemes are for a defined period of time with structured oversight by or registration with a government agency.

5. The number or apprentices is a low enough portion of the workforce to indicate they are not being used to replace or avoid permanent, adult hires.

6. Local school records on attendance by young workers in facility demonstrate compliance.

7. There are records of payment of stipends, tuition, books and/or uniforms by the company.

8. Workers’ knowledge and understanding of company policies and programs – for remediation of child workers and for managing young workers doing light work – is evident during interviews.

9. Workers’ and their families’ testimony provide evidence of compliance.

10. Community interviews, especially with teachers, social workers and child welfare advocates, confirm they have worked with the factory to address any child labour risks.

II. C. Worker Interview Strategy, SA8000: 1. Child Labour

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

Auditors should be extremely careful in interviewing underage workers, because they may have attitude, motivation, and psychological needs distinct from adult workers or children not working. It will be helpful if the auditing team can include experts who understand children’s development issues. Or auditors can consult local experts on a regular basis.

It is important to keep in mind that it is the employer, rather than the child, who may be violating the law. Therefore auditors should never give the child the impression that he or she is under interrogation or investigation. Instead, auditors should treat the child as a caring friend, or a friendly partner to analyse and better understand the situation.

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.

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.
Since most children start working to support their family and family is usually their chief concern, auditors may break the ice by asking about their family: hometown, parents, siblings, etc. Auditors may also start the interview by giving "compliments" to the child for his/her capability to support his/her family. In many developing countries, children may be expected to contribute to family income; many children may even take pride in doing so. Auditors should inquire about training received and how they are supervised.

The chief goal of the interview is to find out how underage workers are treated – what work they do, how many hours they work, during what times of day, how they feel about the workplace conditions, how long they have been working there, and whether they have access to legally required schooling. Again, we recommend that auditors use more open-ended questions to encourage the child’s own assessment of the working conditions. For instance, instead of simply asking: “Do you like working in this factory?” auditors may try different ways such as:

1. How long have you been working here? What year did you start?
2. How much longer do you want to stay here?
3. How do you like people around you? Who is your best friend here?
4. How often do you talk to your parents? How often do you see them?
5. What do you usually do after work?
6. What do you want to be when you grow up?

Wherever young workers are employed, auditors should also interview them about any training received and if/how they are supervised; their supervisors should be interviewed as well. Underage 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, through the interview, to assess their knowledge and capability in this respect.

Underage workers are also vulnerable to other types of mistreatment, such as lower wages (than adults) and longer working hours. Children generally do not speak out even when they know that they are being underpaid. That is one of the major reasons some employers prefer underage workers to adults. It also presents a challenge for auditors to understand the real situation of these working children. A well-conducted interview offers a good opportunity to uncover these issues.
III. Background Information, SA8000: 1. Child Labour

According to the latest ILO estimates reported in 2011, there are 215 million children in child labour, of which 88% or 115 million are engaged in hazardous work¹, a proxy for the worst forms of child labour. 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, 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. Cultural beliefs, traditional mores, inequality in wealth distribution, market demand (for children at 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 has been considered as 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.

Despite all 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.
4. Child labour can jeopardize a country’s reputation and productivity, as well as global acceptance of its exports.

Since 1919, the year of its establishment, the International Labour Organization has adopted more than ten conventions addressing problems related to child labour, among which Convention 138 (Minimum Age Convention) and Convention 182 (Worst Forms of Child Labour Convention) 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 a “No Child Labour” element. Moreover, most of the existing external labour standards -- such as SA8000, the ETI base code, and the WRC model code -- have clear policies against child labour.

III.A. International norms

Convention 138, adopted in 1973, consolidated the principles of previous conventions dating from the founding of the ILO which 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 [listed in section I.D.1 above] 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 – i.e. 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.

In June 1999, the ILO unanimously adopted its most recent instruments on child labour, against the Worst Forms of Child Labour: Convention 182, and Recommendation190. 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.

Per Convention 182, the worst forms of child labour include:

(a) All forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt

¹ According to the ILO, hazardous forms of child labor include: "(a) work which exposes children to physical, psychological, or sexual abuse; (b) work underground, under water, at dangerous heights, or in confined spaces; (c) work with dangerous machinery, equipment and tools, or which involves the handling or transport of heavy loads; (d) work in an unhealthy environment which may, for example, expose children to hazardous substances, agents or processes, or to temperature, noise levels, or vibrations damaging to their health; [e] 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 premise of the employer." (R190, Section II.3.a-e)
bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict;
(b) The use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances;
(c) 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;
(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.

The Convention 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, inter alia, of Recommendation 190 as it provides further guidance on which types of work are likely to be harmful to children. 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;
7. 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 employer.

ILO Convention No. 138 and Convention No. 182 are fundamental conventions. Under the ILO Declaration, even the member States that have not yet ratified these Conventions should respect, promote and realize the principles. As of February 2012, 161 countries had ratified Convention No. 138, 132 countries had ratified Convention No. 182, and a number of other countries are undergoing the ratification process, indicating 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; and
3. Establish appropriate penalties or other sanctions to ensure the effective enforcement of its provisions.

III. B. Case Studies

The Brazil Model – Scholarships and After-school programs:

In 1995, Brazil's Ministry of Social Security started the Child Scholarship Project, which aims to eradicate the widespread practice of child labour. The program pays the parents of children who are proved to be in school a small monthly stipend per child in school, which partially substitutes for the wages that the children could be earning if they were working. In addition, for every child in the program, the local government receives from the federal government the same amount in stipends to run extra-curricular education and after-school programs for these children, so to induce the interest of local governments to keep children in school.

These programs have been rolled out in stages, targeting the poorest regions in the country first and in areas where sectors that use child labour are located. Thanks to the support and mobilization of the Brazilian civil society, businesses and NGOs have worked together to involve the supply chains and to make the program a success. School dropout rates fell from 10% to 0.4% and the program contributed to high school enrolment rates.²

Note on Structure:

The consolidated guidance will be uploaded to the SAI website as a webpage <www.sa-intl.org/SA8000> that will include the text of the section “About the Standard”, only a list of the titles of Standard’s main sections I, II, III & IV.1-IV.9, and hyperlinks to “SA8000® Certification”, SA8000 Accreditation (Application Package), “SA8000 for Download”, “SA8000 Translations” and “SA8000 Complaints Process”. Each section title (e.g. III. Definitions and VI.2. Forced and Compulsory Labour) will be a hyperlink to a sub-page of the SA8000 main page.

Each “element page” (e.g. SA8000: 2. Forced and Compulsory Labour) will list its own sections and subsections, the titles of which will be hyperlinks to its own page, to avoid overly long pages and to provide the option of printing the separate sections. On the side-bar, an outline of the SA8000 “section” of the website will enable the user to navigate without having to click “back” on the browser. In this draft of the element page for Forced and Compulsory Labour, the main sections I, II and III are separated by page-breaks.

SA8000: 2. Forced and Compulsory Labour

I. SA8000 Standard: 2. Forced and Compulsory Labour
   I.A. SA8000: 2. Forced and Compulsory Labour Requirements
   I.B. Definitions, SA8000: 2. Forced and Compulsory Labour
   I.C. Intent, SA8000: 2. Forced and Compulsory Labour
   I.D. Interpretations, SA8000: 2. Forced and Compulsory Labour
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II. Auditing Considerations, SA8000: 2. Forced and Compulsory Labour
   II.A. Key Issues to Review, SA8000: 2. Forced and Compulsory Labour
   II.B. Evidence of Compliance, SA8000: 2. Forced and Compulsory Labour
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III. Background Information, SA8000: 2. Forced and Compulsory Labour
   III.A. International norms
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I.A. SA8000: 2. Forced and Compulsory Labour Requirements

2.1 The company shall not engage in or support the use of forced or compulsory labour as defined in ILO Convention 29, nor shall personnel be required to pay 'deposits' or lodge identification papers with the company upon commencing employment.

2.2 Neither the company nor any entity supplying labour to the company shall withhold any part of any personnel’s salary, benefits, property, or documents in order to force such personnel to continue working for the company.

2.3 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 employer.

2.4 Neither the company nor any entity supplying labour to the company shall engage in or support trafficking in human beings.

I.B. Definitions, SA8000: 2. Forced and Compulsory Labour

1. Bonded labour: situation in which a person is forced by the employer or creditor to work to repay a financial debt to the crediting entity.

2. Forced and compulsory labour: According to ILO Convention No. 29, Article II:1, “all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.”

The “penalty” here can imply a form of monetary sanctions, or physical forms of punishment such as loss of rights and privileges or restrictions on movement or employers’ holding of “deposits” or identity papers (e.g. passports, etc.).

3. Human Trafficking: the recruitment, transfer, harbouring or receipt of persons, by means of the use of threat, force, other forms of coercion, or deception for the purpose of exploitation.

I.C. Intent, SA8000: 2. Forced and Compulsory Labour

1. Freedom of Movement: The chief purpose of this SA8000 element is to guarantee employees’ physical freedom while in the workplace. Employees 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, so long as they have fulfilled their obligations agreed to under a fair and transparent employment agreement. Typical employment contracts will contain a clause allowing the termination of such contract by either party with a specified number of days advance notification. Management must refrain from imposing any form of sanctions against such choice. Loan payments should be considered separately from the employment contract.

2. These elements of SA8000 are intended to prohibit all forms of forced or compulsory labour under every condition. As part of that principle, SA8000 requires that every prospective worker be fully informed of the terms and conditions of the offered employment. Under SA8000, an employer is responsible for all workers on site, regardless of who is the direct wage payer.

3. The intent of the definition of forced or compulsory labour (which are interchangeable terms representing a single concept) is to include all forms of forced labour, including the use of compulsory prison labour by private business entities, debt bondage or indentured servitude. The following types of threats are also all prohibited under SA8000: monetary sanctions, physical punishment, withholding of papers, loss of rights or privileges and restrictions on movements.

4. The explicit addition of human trafficking is to raise awareness and to ensure that employers take active steps to ensure they have no association with any labour supplier or subcontractors using labour suppliers who may be trafficking workers. Human trafficking is one type of forced labour.

5. This element of SA8000 is intended to ensure that workers are free to leave, for example, to: 1) terminate their employment with a company 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)
I.D. Interpretations, SA8000: 2. Forced and Compulsory Labour

This provision is meant to prohibit the employer from taking or threatening to take any negative action on any of a workers' wage, benefit, property or documents to compel the workers' labour. It is to be interpreted broadly. It would include not only any and all such negative actions but also the withholding or reversal of any positive action by the company. For example, a company may not make training or promotion conditional on a worker's agreeing to continue working for an extended period. Nor can a company make the hiring of a worker's spouse or relative contingent on the worker's committing to future work. The essence of what is being protected here is the voluntariness of workers' labour.

1. In the context of SA8000, forced and compulsory labour includes any labour exacted under threat of physical harm and/or under debt bondage, that is, demanded as a means of repayment of debt.

2. Debt Bondage: Bonded labour may be suspected in any case where employees are subject to financial sanctions which effectively force them to remain employed at the facility. The most common variety of bonded labour is centred on debt bondage, whereby a worker (or dependents or heirs) is tied to a particular creditor for a specified or unspecified period until the loan is repaid. For instance, a factory in Taiwan may hire workers from the Philippines. Before they are hired, the Philippine workers may have to pay a recruitment agency such an unreasonably large service fee that they virtually lose the option to leave the factory in Taiwan because it takes so long to pay it back.

3. Requiring workers to pay "deposits": A company cannot require workers to pay "deposits" or transfer their identification papers to the company. Such papers can 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, leave the job and the like.

4. Companies may not act to hold workers' identification documents or the like by seeking workers' "consent" to any part of this prohibition. For example, companies may not require or seek to influence workers to sign "voluntary" letters allowing the company to hold worker's identification papers. Even if workers reportedly consent, such actions are prohibited under SA8000. Similarly, withholding workers identification documents and establishing a system to allow for the worker to retrieve them quickly is considered forced labour. The time to retrieve the documents is irrelevant, because workers are denied freedom of mobility. (See also section I.E.2)

5. Worker debts and loans: Another variation of forced or compulsory labour is work required by a company to pay back a debt. This would include for example, such debt as the costs of transporting workers from their native state to another for the purpose of work. As to workers' repayment of company loans, companies should not provide loans that workers will not be able to repay based on their earnings. The most critical aspect concerning debts and loans is that there should be no linkage between workers' indebtedness and the terms and conditions of the intended employment. There should also be no undue retaliation for workers defaulting on loans; freedom to leave a position must still be upheld.

6. Reasonable Notice: The exact number of days required for the employee to give "reasonable notice" to terminate their employment varies by state, locality, industry or other aspects of the employment. The time period required may also be stated in workers' contracts or collective bargaining agreements. Providing the worker gives reasonable notice, then that employee should be able to leave on good terms with the employer.

What is not permitted under any circumstances is a company's refusal to allow a worker to leave (by, for example, not issuing wages for past work or holding on to travel documents) until the company has found a replacement. Companies may not extend workers' employment periods to find a suitable replacement. Companies may not avoid this prohibition by having workers pre-sign "termination letters", before and as a condition of their employment, agreeing to whatever date a company may need to extend workers' employment.

7. The right to leave the workplace premises after completing the standard workday: This guarantee addresses two widespread prohibited practices:

First, workers must be allowed to leave after their regular shift. They are not to be forced to remain at the
work premises to work overtime hours. Requiring that workers be permitted to leave after their regular shift reinforces the requirement that all overtime be fully voluntary.

Second, companies may not lock workplace doors, nor allow barriers to the free use of the exit doors of work premises. This frequently reported problem often involves such practices as locking the workplace door from the outside or piling up fabrics or other work materials 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.

8. The prohibition against trafficking is broad and total: A company and its suppliers cannot be part of any stage of trafficking. They cannot act as the recruiter, the transferor, the “middle man” holder or as the receiver of those who have been trafficked for the purposes of work. This covers a company’s use of every type of provider of trafficked labour whatever they may be called, such as labour contractors or employment agents or agencies that supply labour to a company in this manner.

I.E. Implementation, SA8000: 2. Forced and Compulsory Labour

1. Freedom of movement: The freedom of movement clause is mainly to make explicit that workers need to be able to leave their place of work at the end of a standard work day or shift (e.g. usually 8 hours). It is also meant to ensure that workers are not locked into their workplace and can leave if necessary; e.g. in case of danger or threat to their person. As far as access to bathrooms, this is really an issue for health and safety, where workers’ physical wellbeing should be taken into account in setting such policies. Employees have the freedom to leave their workstation to go to the toilets.

2. To avoid dilemmas related to personal identification documents, the company should provide workers a secure place to keep their valuables and thus it is not necessary for management to ‘protect’ their passports or other personal identification documents (See also section I.D.4).

3. SA8000 prohibits companies from making employees sign resignation letters upon joining the company or commencing their employment. The practice of ex ante resignation letters is not acceptable under SA8000, because it forces the employee to sign a letter that they do not necessarily want to sign and in many cases could be interpreted as the employee waiving his/her rights under/to specified disciplinary processes and procedures and legal severance payments or unemployment benefits, etc.

4. Training: Some companies sponsor training for workers, and in some cases, ask workers to sign a contract to work for the company for a period of time, e.g. 3 to 4 years, to benefit from the company’s payment of the training. If the employee really cannot leave the job at all, this would be a version of compulsory labour. In many cases, however, the employee risks only a bad recommendation or the loss of future opportunities with the company if they leave their job; then these are not cases of forced labour, as long as the employee voluntarily participated in the training and agreed to the contract terms. If however, the training was required to secure the job; or the workers are migrant workers with no way to return home, then this is very likely a form of forced labour. Auditors need to analyse the situation through both worker interviews and an analysis of the context, which may create pressures that de facto require the workers to take the training and/or then make it impossible for them to leave (e.g. if they have no legal status in the country and no way to return home)(See also section I.D.2).

With respect to training costs and the potential impact upon the termination of an employee’s contract, it should be clear that the company is responsible for all costs to be incurred for a worker’s job related to training. Thus, the costs of such training shall not impede or delay the worker’s departure from a company should they decide to leave and shall in no way be tied to an obligation to pay such costs before the departure can take place. Contracts typically specify a time period, often 30 days, during which either the employee or employer can choose to terminate the contract upon notification of the other party.

5. Advanced education degrees: Some companies and their employees establish arrangements in which the company pays for an employee to obtain an advanced educational degree on the condition that the employee works there for at least 3 years or the employee must pay the employer back. This is not considered forced labour if both parties agree to the terms, which should be in writing and clearly understood by the worker. The funds expended by the employer, however, are similar to a loan, such that (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 compulsory labour. This means that the worker can default, risking only what is reasonable to expect or is defined in the contract (e.g. no future recommendations from the company).
6. Resignation from employment: In the case in which an employer asks employees who quit to work two extra weeks while the company finds their replacement, the employer must "ask" and not "require or force" the employee to work those two weeks to be acceptable. If the employees do not voluntarily work for those weeks, this is not in accordance with the SA8000 Standard. In some countries, giving an employer two weeks' notice is common practice, but, note, this is normally part of previously, voluntarily agreed contract terms and, in any event, pay cannot be withheld for work already performed even if a worker leaves precipitously. It is not uncommon, however, that a company will require a worker to stay until a replacement for the position is found regardless of the time required, particularly with a skilled position in a tight labour market. This is not allowed under SA8000.

7. "Voluntary letters" are presented by some companies as evidence of workers' consent to overtime working hours, but the letter does not suffice to demonstrate such consent. Auditors need to 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).

II. Auditing Considerations, SA8000: 2. Forced and Compulsory Labour

II.A. Key Issues to Review, SA8000: 2. Forced and Compulsory Labour

1. Imprisonment is an extreme example of restricting freedom of movement, yet its occurrence is not uncommon in factories, particularly in small, private workshops hidden from public view or in dormitories belonging to a bigger production site. One way to investigate such violations is to check the security guards' contract terms against the actual service rendered. Security guards should be used to guarantee workplace security, and should in no way be used to intimidate workers or confine their freedom. Auditors should interview both guards and workers to verify the nature of the security guards' work.

2. Though not as blatant, other types of sanctions can still compromise employees' free choice. For instance, deposits upon employment, retaining any portion of monthly wages till the end of year or expiration of employment term, and refusal to pay legally required severance can effectively deter employees from leaving the facility out of their own will.

3. In some parts of the world, it is common to require a newly hired worker to purchase a financial bond which will be returned to the worker upon termination of contracted employment. Known most commonly as "runaway insurance", this financial instrument is held by the factory, and workers default if they leave without management's permission. This practice is not allowed if the bond is purchased as a condition of employment.

4. Auditors should investigate whether employees may be restricted, coerced or intimidated in any way to remain at the worksite or in company dormitories.

5. Labour contractors or sub-contractors: Auditors should be aware that some employment relationships are obscured by the use of labour ‘contractors’ or ‘sub-contractors’, where those workers are paid by an employment agency or indebted to a third party recruitment agency. Although employers may not use forced labour directly, they may still support the use of it by entering into business relationships with other labour suppliers, contractors, sub-contractors, or recruiters. Auditors should take this into consideration before signing off on a “no forced labour” statement. For instance, the employer might use temporary workers from a sub-contractor, or contract out a portion of their production.

Through worker interviews and by checking with management and local community groups, auditors should ascertain how the company recruits its workers, where they come from and who helps find them. The actual workplace managers may not retain documents or give loans, but auditors should also review any recruitment or employment agencies involved.

The company may rely on products or service offered by other suppliers or sub-suppliers, where various forms of forced labour might exist. For example, it is a serious violation of SA8000 (meriting a major corrective action request) and other core international labour standards if a factory orders goods or services from any organization that uses prison labourers who are not properly protected according to ILO Convention 29, article 2.2.c.

In such cases, we recommend that auditors carefully review all available business orders, contracts, and personnel files (of directly contracted and subcontracted workers) to ensure that the company has
appropriate policies and procedures to address, at a minimum, the practices of their prime suppliers, contractors, and sub-contractors in this regard. Employment contracts, wage records, contracts between company 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.

6. 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. They are less likely to be represented by a trade union or other workers’ organizations, and they are probably less aware of their basic rights and of how best to protect such rights. Many migrant workers may have been indebted, 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 they move 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, we recommend that auditors 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 Guidance Resource: 5. Discrimination).

II.B. Evidence of Compliance, SA8000: 2. Forced and Compulsory Labour

The following are some examples of evidence that may indicate compliance with SA8000, though none is sufficient on its own. This list is necessarily incomplete because the nature of social auditing requires the use of evidence appropriate to context which cannot be comprehensively listed for all situations at all times. Auditors need to develop their own strategy to collect evidence depending on the context and what they find during actual audits.

1. The company or management policy prohibits the practice of holding original documents belonging to employees, such as passports, work permits or birth certificates.

2. Employees confirm they are not asked to lodge deposits, either of identity papers, salaries or money.

3. Workers do not have to pay illegal fees or for training programs undergone while with the company.

4. Employees confirm they have options – for shopping, housing etc. – other than accruing debt with the company or company-run organizations. In cases where there are no other services or goods accessible (e.g. due to distance), these goods are subsidized and made available by the company at or below market cost.

5. Workers do not have a large or long-running debt with the company which they have no other way to pay back except to keep working.

6. Wage records indicating that full payment of wages is made on time to employees themselves, and no method of payment deprives workers’ of their rights to terminate employment.

7. Employee handbooks, training manuals, grievance procedures, and/or contracts exist and employees are aware of their purpose and the extent to which they benefit workers, thus demonstrating the voluntary nature of employment.

8. The company utilizes transparent, fair and easily understandable employment agreements (written and communicated in the languages of all employees), containing reasonable terms and conditions on early termination of employment and workers understand the agreement.

9. If security guards police the production site and employee dormitories for safety reasons, workers have free access to come and go from these places. Workers’ family members are allowed to visit freely.

10. Workers’ testimony corroborates all documentation and management claims regarding bondage and terms of employment.

11. Some workers live outside the complex when dormitories are provided for migrant workers indicating that they have the right to choose their accommodations.
II. C. Worker Interview Strategy, SA8000: 2. Forced and Compulsory Labour

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 Resource, many companies not directly using forced labour may support the use of it in other ways: hiring temporary workers through subcontractors to work on their premises; contracting out their production; imposing overtime work upon their employees without seeking their consent; or limiting their freedom of movement after work. The purpose of conducting interviews with workers therefore is not only to find 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 will be helpful for auditors to 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 employees can terminate the contract before the expiration date.

Auditors can also inquire how workers were hired for their jobs. If they used recruitment agents, auditors should ascertain if they paid high service fees (e.g. for recruitment or transport, document processing) and if they have any “shadow agreements” (e.g. pending debts or a hidden contract which defines conditions of employment of the worker) with the recruitment agencies outside of the formal employment contract that might state a minimum employment term.

Many workers pay some form of deposit upon recruitment, such as training fees, uniform fees, etc. Auditors should probe for specifics to determine whether any such deposit will in effect limit employees’ freedom. 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: if the interviewees get paid directly, or via 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. Payment should be rendered in a timely manner and in accordance with the law. Normal payment should typically be made within no more than 7-10 days after the end of the pay period.

II. D. Auditing best practices, SA8000: 2. Forced and Compulsory Labour

Auditors should carefully review any practices employed by the facility or by agencies contracted by the facility that may indicate financial coercion of employees.

These may include deposits paid by workers upon hire, unreasonable recruitment service fees, or unfair employee loan, credit, or purchasing schemes managed directly or indirectly by the employer that might deprive workers of their financial freedom. Other methods of financial intimidation 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 can effectively deter employees 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 employer by their own family due to poverty.

Some factories require workers to pay for their initial training since workers are often recruited from another factory for slightly higher pay after the training has been completed. Some workers are also required by the factory 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.

Auditors should analyse the levels of worker indebtedness to the factory or factory-related businesses (e.g. recruiters, company stores, etc.). If these levels of indebtedness consume a significant portion of workers’ pay – and there is no realistic way for workers to default on those loans – this may indicate that an abusive and coercive employment relationship exists.
II. E. Specific Guidance for Particular Locations, SA8000: 2. Forced and Compulsory Labour

1. Audit Guidelines for the Textile Industry in Tamil Nadu, India

**Background**

In the 1990s, employers within the Indian textile industry began to utilize the Sumangali Scheme as a method to secure a young, reliable, and temporary work force at very low costs. The core attraction of the Sumangali Scheme is a lump sum payment at the end of 3 years that enables a young woman’s family to pay dowry and thereby ensure her marriage. “Sumangali” is a Tamil word translated variously as: “a married woman whose husband is alive”\(^3\), “an unmarried girl becoming a respectable woman by entering into marriage”\(^4\), and “a married woman who leads a happy and contented life with her husband with all fortunes and material benefits”\(^5\). However, the Sumangali Scheme denies the young women of their core labour rights of freedom from forced labour, non-discrimination, freedom of association and collective bargaining rights. The scheme is also characterized by excessive, uncompensated and frequently forced overtime and wages that fail to provide sufficient income to meet their basic needs.

**What are Sumangali Schemes?**

The Sumangali scheme begins with recruiters attracting young women, particularly young women from impoverished, rural small towns outside the main cities in Tamil Nadu, to work in the textile mills with the promise of earning a dowry. The young women start with a 2-month trial period, and afterwards continue work as apprentices. Over a three year period, the employer using Sumangali permits the young women one home visit per year – a leave frequently denied, obliges them to work overtime according to the schedule of the management, and pays a stipend of INR 28 (~$0.62 USD) during the first six months -- in some cases the stipend increases by INR2 every six months, and provides dormitory accommodations and meals. In most cases employees work more than 12 hours per day, at least six days per week. If the worker completes the 3-year apprenticeship period, she receives a lump sum generally around INR 30,000 (~$663.13USD).

**Context in which Sumangali Schemes have emerged**

The textile industry contributes significant employment opportunities and economic growth to India and especially the Southern Indian State of Tamil Nadu. Nationally, textiles account for 4% of GDP, 13.55% of export earnings, and provide direct employment for 35 million people, being the second largest employment provider after the agricultural sector.\(^6\) Following the end of the quota system known as the Multi-Fiber Arrangement\(^7\) at the end of 2004, exports grew 22% in the first year, and annual growth rose to 8-9% from its historic rate of 3-4% that was maintained for several previous decades.\(^8\) 43% of India’s large and medium textile mills, and 80% of its small mills, are located in Tamil Nadu.\(^9\) As of the end of 2010, 1,800 textile units employed 400,000 workers in Tamil Nadu.

The workers of the textile industry are predominately young women, not unionized, and employed under temporary contracts. Incomes are low – in many households between 2,000 and 5,000 Indian Rupees per month (~$44 - $66 USD), and families seek safety and stable futures for their daughters. Despite laws prohibiting the practice, the payment of a dowry to a prospective husband’s family and discrimination against women persist in Tamil Nadu.\(^10\)

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3 Interviews of stakeholders in Tamil Nadu by Raja Gopal, SAI lead trainer, conducted February 2011.
7 The Multi-Fiber Arrangement (MFA) governed apparel and textile imports to the U.S. and Europe through a system of quotas. It provided for the application of selective quantitative restrictions when surges in imports of particular products caused, or threatened to cause, serious damage to the industry of the importing country. On January 1, 1995, the MFA was replaced by the World Trade Organization Agreement on Textiles and Clothing, which governed the transitional process for the removal of the quota system by January 1, 2005.
10 India passed the Dowry Prohibition Act in 1961. The act prohibits the request, payment or acceptance of a dowry, “as consideration for the marriage”, where “dowry” is defined as a gift demanded or given as a precondition for a marriage. Reference, see World Law Direct, “Dowry Law in India”, http://www.worldlawdirect.com/forum/law-wiki/28749-dowry-law-india.html, accessed 7 June 2011.
SA8000: One Part of the Solution

The SA8000 certification system has been used by leading textile companies in India for more than a decade. As a certifiable standard based on ILO Conventions, SA8000 prohibits forced labour – including restrictions on movement with threat of loss of wages or work, prohibits contracting practices that deny legally-required benefits to workers, and requires payment of living wage and respect of workers freedom of association and collective bargaining rights. In February 2011, SAI conducted an in-depth investigation of the Sumangali Scheme by visiting factories and villages on the ground and speaking with workers, employers, and local NGOs. The particular investigation and continual SA8000 audits have not found the use of the Sumangali Scheme or other violations of SA8000 at those facilities that are SA8000 certified. SAI and SAAS procedures and training guide SA8000 auditors to identify signs of Sumangali and other schemes, and, as a result of this investigation, SAI and SAAS have further refined audit guidance in order to better address this issue. The specific guidance complements the auditors’ methods for verifying compliance with the international labour standards covered by SA8000 with specific instruction on stakeholder consultation, investigation of contracting practices, interviewing workers in a safe and neutral space, and evaluation of the company’s supply-chain management.

However, SA8000® can only be one part of the process for eradicating Sumangali Scheme. Currently, the scheme continues, particularly at spinning mills and upstream in supply chains, but also at some large facilities.

For buyer and supplier companies, SAI and SAAS call for immediately ceasing use of the Sumangali Scheme and encourage companies to: use SA8000 as a benchmark; begin improvements to achieve certification and the corresponding benefits; and utilize the SA8000 management system approach to continually improve their operations and supply chains. We also encourage the support and engagement of local stakeholders to address the root causes of the Sumangali Scheme, including low level of understanding of labour laws, insufficient organization of workers to assure their voice and representation, discrimination and cost pressures.

Local and Global Efforts to Eradicate Sumangali Schemes

Abolishing the Sumangali Scheme is promisingly underway, due to significant actions led primarily by local actors:

- In 2008 the State of Tamil Nadu passed legislation that set a minimum wage day rate, which established the illegality of the Sumangali Scheme;
- The Campaign Against Child Labour – Tamil Nadu (CACL-TN) pressured authorities to conduct a hearing on the Sumangali Scheme, and in 2009 the panel – including the High Court of Madras, Tamil Nadu State Commission for Women and Tamil Nadu Pollution Control Board – established the Grievance Redress Committees at the Labour Inspectorate in each district;
- The Southern India Mills’ Association (SIMA) established recruitment guidelines;
- The Labour Minister of India issued guidance to pay minimum wage, grant permanent employee status upon completion of 480 days labour, issue identity cards, pay provident fund benefits, ensure dormitories have basic facilities, and never deny requests to take leave for home visits;
- The Tirupur Steering Group (TSG), the Tirupur Exporters Association (TEA), SIMA and the Tirupur People’s Forum for the Protection of the Environment and Labour Rights have led and participated in various multi-stakeholder dialogues on worker rights and labour laws.

Global brands and retailers have also worked individually and collectively to ensure that the Sumangali Scheme is not used in their supply chains and to support local initiatives. The Brand Ethical Working Group has engaged the TEA. Ethical Trade Initiative (ETI) and Anti-Slavery International have convened customer brands to discuss collective strategies to address the Sumangali Scheme. In January 2011 in New Delhi, the Business Social Compliance Initiative (BSCI) convened a roundtable meeting that included discussion of the Sumangali Scheme, and BSCI plans a follow-up meeting in July/August. In May 2011 the Centre for Research on Multinational Corporations (SOMO) and India Committee of the Netherlands published the report Captured by Cotton, which raised awareness of the Sumangali Scheme.

Solutions will not be easy, but collective effort holds promise. The success of efforts such as legitimate savings programs, oversight of recruiting practices, protective accompaniment for young women and others
depend on how well the mechanisms respond to the actual needs of the young women and their communities. SAI and SAAS will continue to support use of the SA8000 certification and local and global initiatives to eradicate the Sumangali Scheme and ensure decent work for Indian textile workers.

To support usefulness of SA8000, SAI and SAAS developed and distributed to all accredited certification bodies the following “Audit Guidelines for the Textile Industry in Tamil Nadu, India”:

I. PRE-AUDIT PREPARATION
A. Stakeholder Engagement
1. Several NGOs, trade unions, corporations, and other stakeholders have previously addressed forced labour within the textile and garment industries in Tamil Nadu and understand whether there are continued concerns, and thus should be consulted;
2. When conducting an audit, CBs should engage these stakeholders, especially when auditing companies that have not integrated their supply chain;
3. Some of these stakeholders that should be consulted are:
   a. Tirupur Steering Group (TSG) and members: Indian National Trade Union Congress, Hind Mazdoor Sabha, Labour Progressive Federation, Anna Thozhiranga Peravai, SAVE, CSD, CARE and Prakruthi;
   b. Tirupur Exporters Association (TEA);
   c. Campaign Against Child Labour;
   d. The Labour Inspectorates of Tirupur and Coimbatore, which enforce laws enacted in November 2008, and specifically the Sumangali Scheme Grievance Redress Committee within the Labour Ministry;
   e. Southern India Mills’ Association (SIMA);
   f. Tirupur People’s Forum for the Protection of the Environment and Labour Rights;
   g. Shanti Ashram (NGO in Coimbatore);
   h. Main trade unions that are active in Tirupur, namely CITU and INTUC;
   i. Centre for Education and Communication (CEC);
4. Building informational relationships with these interested parties is an ongoing responsibility, not fulfilled by simply offering meeting dates with little advance notification. This communication needs to be ongoing and built on trust – such that stakeholders perceive the auditors to be responsive – in order for this engagement to effectively support the continuous improvement of SA8000-certified facilities;

II. DURING THE AUDIT
B. Review company hiring practices and job posting circulars: Focus on the Human Resources and Personnel Departments:
1. Check recruitment practices regarding labourers, staff personnel, and managerial personnel;
2. Focus on recruitment of labour force by checking hiring process:
   a. Specifically, advertisements, temporary recruitment agencies, or through referrals;
3. Does the facility engage in the group recruitment of its work force, particularly of female employees? If so, this may be an indication of the presence of a forced labour scheme;
4. If a recruitment scheme exists, check individual contract documents in regards to contract duration (number of years) and other conditions of employment, such as allowable statutory benefits (PF/ESI/Bonus etc.);
5. Check post-recruitment personnel records which would give details regarding individuals with respect to age, permanent address, educational qualification, previous experience, if any, etc.;
6. Check employment contract documents for details on employment position, pay scales, etc.;
7. Check salary payment process (weekly, monthly or yearly). Focus on any employees recruited as a group;
8. Are payments made through cash, check or bank transfer?
   a. Interview workers to verify, but also double check by requesting to see evidence, such as bank slips, pass books, or other records indicating monthly payments are being received by workers;
   b. Consult with parents of employees – often they visit employees near facilities, and are aware of how employees receive payment;
9. Check whether the company has its own dormitory facilities within the company premises or rented outside for the benefit of employees;
10. If yes; then make a note to visit the dormitory during the audit process in order to address freedom of movement issues often associated with forced labour schemes;
11. Circulars referencing lump sum payments, hostel accommodations, and daily stipends should raise red flags:
   a. While these indicators are not necessarily signs that a forced labour scheme exists, in the past this is language that was used;
   b. It is important to distinguish bonuses in addition to regular pay at the end of a contract period, which are permissible, as opposed to a forced labour scheme whereby the only payment comes at the end of a typical three-year contract;
   c. Note, the current minimum wage in Tamil Nadu, set by the state government in November 2008, is INR 170.72 per day – any circular advertising for less than this amount is illegal and should for obvious reasons raise additional red flags;

12. Stakeholder interviews should include interviews of recruiters and specifically address hiring offers in order to understand the terms of employment that may be communicated in different ways;

C. Interview workers outside the facilities as they come and go:
   1. In many forced labour schemes, freedom of movement is restricted by the facility, particularly when females are housed in dormitories or recruited from smaller villages;
      a. Auditors should monitor workers as they come and go, and should spend time reaching out to workers off facility premises;
      b. Auditors should bear in mind cultural issues relevant to such restrictions of movement – in some situations, facilities assume guardianship over younger female employees as a condition of their employment;
      c. Auditors should engage workers to determine extent to which freedom of movement is restricted;
   2. Interviewers must bear in mind that the reports cited above show that workers are often reluctant to speak out, so efforts must be made to ensure workers are comfortable speaking about potential abuses;
   3. Where possible, female interviewers should be utilized for interviews of female workers;
   4. Cross check whether the company provides dormitory facility to its employees;
   5. Verify efficacy of the health and safety system as well as medical facility within the premises;
   6. Seek information on accidents and illness related to workers who are staying in the dormitory as well as those recruited in bulk from nearby villages;
   7. Seek information on disciplinary practices and their application in an impartial manner covering all employees;
   8. Verify issues related to sexual harassment in the workplace;
   9. Verify salary payment details, whether through cash, check, or bank transfer;
      a. Ensure that any employees promised bonuses are receiving regular salaries as well;
      b. Forced labour schemes emphasize receipt of lump-sum payment at end of contract term – any reference to bonus or lump-sum payment should raise red flags;
   10. Inquire as to whether personnel have a bank pass book and whether that is used for payment;
   11. Individual interviews are preferable because of their confidential nature, and group interviews may be complementary;
   12. SA8000-accredited auditors are obliged to provide their contact information to interviewed workers – this will increase worker comfort with the auditor and audit process, and allow easier filing of complaints in cases of abuse;

D. Review supply chain management scheme:
   1. Review supply chain management scheme and discuss effectiveness of that company’s management policy with stakeholders, particularly in cases where spinning mills are not vertically integrated;
      a. Consult supply chain management team on steps they take to investigate suppliers;
      b. Verify that the procedures established in the SA8000 control of suppliers (9.7 – 9.10) are implemented by reviewing records and other observable evidence;
      c. Stress the importance of supply chain management with the management team in tackling the continued use of Sumangali further down the supply chain;
      d. Consult with stakeholders on effectiveness of these measures as well as their knowledge of labour conditions, particularly hiring practices, at suppliers, particularly spinning mills;
   2. Reviews should be conducted regardless of whether suppliers are vertically integrated or not;
   3. Extra focus should be placed on spinning mills, particularly when the manufacturer is not vertically integrated;

E. Freedom of association and collective bargaining rights:
1. Some reports have suggested that respect for workers’ FOA and collective bargaining rights is unfulfilled at some certified facilities, thus auditors should take special care to investigate compliance with these core fundamental rights;

2. When auditing on SA8000 Element No. 4, Freedom of Association and the Right to Collective Bargaining, three broad areas help the auditor organize the review process: management communications, workers’ choice, and access to information;
   a. Management Communications: It is important to identify any communications problems that may exist around freedom of association and the right to collective bargaining. Analyse, by specific inquiry and inspection, the extent to which the company has an open attitude towards workers’ organizing, collective bargaining and participation in improvements of working conditions:
      i. What are unionized and non-unionized workers’ perspectives on freedom of association and collective bargaining rights?
      ii. 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?
      iii. Do workers report any worries or fears about joining a trade union? Do they believe managers discriminate against trade union members?
      iv. Conduct in-depth analysis of facts related to any workers’ claims of discrimination or intimidation for organizing or other trade union activities;
   b. Workers’ Choice:
      i. Note carefully any company financing or technical assistance to any worker association or organization and verify if it is managed directly by the receiving organization, available to any worker organization they choose to form, and if workers understand such financing could be available to any worker organization they choose to form;
      ii. Should workers organize assemblies and/or elections for particular organizations 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;
   c. Access to Information:
      i. Verify trade union representatives have been given the opportunity to present their organization during worker assemblies and at other times to workers and that they have access to their members during workers’ free time;
      ii. Where workers live on company property, typically in guarded residences, auditors should learn how this is arranged and verify workers freedom of movement while taking into account the local context and verify their freedom to interact with trade union representatives;
      iii. Verify that workers are effectively informed about their right to choose how to organize;

III. POST-AUDIT
A. Review findings with stakeholders, specifically NGOs, trade unions and interest groups to ensure that findings are in line with their awareness of the continued use of the Sumangali scheme:
   1. These entities have on-the-ground knowledge of problem areas, and so compliance should be verified with them;
B. Report to SAAS any concerns regarding the potential presence of forced labour schemes at either a vertically integrated facility or within an entity’s supply chain;
C. Certification bodies must respond directly to complaints or inquiries regarding the companies that they have certified. This auditor requirement facilitates communication between the auditors and problematic cases in their area of influence.
III. Background Information, SA8000: 2. Forced and Compulsory Labour

III.A. International norms

The term “forced labour” brings to mind images of chained prisoners sweating at a quarry or a plantation, carefully watched by armed guards or military personnel. This form of forced labour still exists, but only in a handful of countries. Other forms of forced labour, such as debt bondage, are less known, but are far more common today. In 2012, according to the ILO, more than 12 million people around the world are trapped in conditions of forced labour.¹³

As with child labour, the major causes of forced labour include poverty and the lack of a government-provided, free education. In some regions, traditional cultural beliefs may help perpetuate the situation. The phenomenon is not limited to the developing world. For example, in some industries and regions of such highly developed countries as the United States and the United Kingdom, migrant workers often become the victims of bonded labour.

Forced labour and its numerous forms are universally condemned. The Universal Declaration of Human Rights, adopted in 1948, proclaimed that “no-one shall be held in slavery and servitude.”

The ILO Forced Labour Convention 29 (1930) provides that national governments should take all necessary measures to prevent and suppress the use of compulsory or forced labour.

The ILO Protection of Wage Convention 95 (1949) provides that wages shall be paid regularly and prohibits methods of payment which deprive the worker of a genuine possibility of terminating his employment.

The ILO Abolition of Forced Labour Convention 105 (1957) provides that ILO members that have ratified the Convention undertake to suppress and not to make use of any form of forced or compulsory labour as a means of political coercion for purposes of economic development, or as a means of labour discipline, etc.

The vast majority of ILO member states have ratified the two key conventions combating forced labour. As of February 2012, 171 countries ratified Convention 105, and 175 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.

Note on Structure:

The consolidated guidance will be uploaded to the SAI website as a webpage <www.sa-intl.org/SA8000> that will include the text of the section “About the Standard”, only a list of the titles of Standard’s main sections I, II, III & IV.1-IV.9, and hyperlinks to “SA8000® Certification”, SA8000 Accreditation (Application Package), “SA8000 for Download”, “SA8000 Translations” and “SA8000 Complaints Process”. Each section title (e.g. III. Definitions and VI.3. Health and Safety) will be a hyperlink to a sub-page of the SA8000 main page.

Each “element page” (e.g. SA8000: 3. Health and Safety) will list its own sections and subsections, the titles of which will be hyperlinks to its own page, to avoid overly long pages and to provide the option of printing the separate sections. On the side-bar, an outline of the SA8000 “section” of the website will enable the user to navigate without having to click “back” on the browser. In this draft of the element page for Health and Safety, the main sections I, II and III are separated by page-breaks.

SA8000: 3. Health and Safety

I. SA8000 Standard: 3. Health and Safety
   I.A. SA8000: 3. Health and Safety Requirements
   I.B. Definitions, SA8000: 3. Health and Safety
   I.C. Intent, SA8000: 3. Health and Safety
   I.D. Interpretations and Implementation, SA8000: 3. Health and Safety

II. Auditing Considerations, SA8000: 3. Health and Safety
   II.A. Evidence of Compliance, SA8000: 3. Health and Safety
   II.B. Worker Interview Strategy, SA8000: 3. Health and Safety

III. Background Information, SA8000: 3. Health and Safety
   III.A. International norms
   III.B. Typical hazards and risks in manufacturing

IV. Appendix, SA8000: 3. Health and Safety
   IV.A. Fire Safety Risk Assessment
I. SA8000 Standard: 3. Health and Safety

I.A. SA8000: 3. Health and Safety Requirements

3.1 The company shall provide a safe and healthy workplace environment and shall take effective steps to prevent potential accidents and injury to workers’ health arising out of, associated with, or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the workplace environment, and bearing in mind the prevailing knowledge of the industry and of any specific hazards.

3.2 The company shall appoint a senior management representative to be responsible for ensuring a safe and healthy workplace environment for all personnel, and for implementing the Health and Safety elements of this standard.

3.3 The company shall provide to personnel on a regular basis effective health and safety instructions, including on-site instruction and, where needed, job-specific instructions. Such instructions shall be repeated for new and reassigned personnel and in cases where accidents have occurred.

3.4 The company shall establish systems to detect, avoid, or respond to potential threats to the health and safety of personnel. The company shall maintain written records of all accidents that occur in the workplace and in company-controlled residences and property.

3.5 The company shall provide at its expense appropriate personal protective equipment to personnel. In the event of a work related injury the company shall provide first aid and assist the worker in obtaining follow-up medical treatment.

3.6 The company shall undertake to assess all the risks to new and expectant mothers arising out of their work activity and to ensure that all reasonable steps are taken to remove or reduce any risks to their health and safety.

3.7 The company shall provide, for use by all personnel, access to clean toilet facilities, access to potable water, and, where applicable, sanitary facilities for food storage.

3.8 The company shall ensure that any dormitory facilities provided for personnel are clean, safe, and meet the basic needs of the personnel.

3.9 All personnel shall have the right to remove themselves from imminent serious danger without seeking permission from the company.
I.B. Definitions, SA8000: 3. Health and Safety

1. Safe and healthy working environment: as defined by national laws and/or industrial standards.

2. Hazard: defined by the ILO as “the inherent potential to cause injury or damage to peoples’ health” - for instance, specific hazards associated with the use of chemicals or machinery. Employers must prepare and periodically review and update a written hazard analysis.

3. Health and safety management representative: the person with assigned responsibility, authority and adequate resources to implement company policies and corrective action plans as needed. In addition to the management representative, all levels of management, from direct supervisors to senior management are responsible and accountable for the health and safety of employees. Managers must be aware of these responsibilities.

4. Instruction: health and safety instruction is broad to include both ongoing training and on the job instruction. The concept is in line with the intent of the standard on health and safety: it is management’s responsibility to ensure precautionary measures are effective at all times. In many cases, regularly scheduled training may not be sufficient due to accidents, new technology, new personnel and elevated risk.

5. Regular: periodic, included in the health and safety requirements to emphasize that the company will periodically instruct and train workers, temporary workers, providing additional oral instruction and at all times when new job skills or high personnel turnover is involved or after accidents have occurred.

Without any change in workplace or worker conditions, new or repeated training, instructing and transmission of information shall occur periodically to reinforce previous efforts and to ensure that the prior training and the like were effective. A general guideline for frequency is at least once a year for permanent workers, and more than once a year for seasonal or temporary workers. However, SA8000 emphasizes that health and safety on the job instruction must be considered beyond set minimums and require management to disseminate instructions more frequently as needed. Those who may be at more risk due to their age [young people under the age of 18] will require more focused assistance in developing their knowledge and skills for on the job health and safety. The focus on prevention articulates management’s responsibility to create a culture of health and safety.

6. Systems: refers to the Management Systems, as stated in the section 9. Added management tools are in this requirement, such as the naming of a health and safety management representative and the identification of the processes and/or events that trigger the need for workers instruction and information.

7. “Accident” and “incident”: these terms are exactly the same and are used interchangeably.

8. Follow-up medical treatment: In the event of an accident or work related injury suffered by a worker(s), a company must provide first aid assistance and assist the worker in getting follow-up medical treatment. This means that the company must provide appropriate assistance to injured workers for their follow-up medical treatment as each case’s facts shall indicate.

9. New Mother: a woman who has given birth to or adopted a child within the past six months. An expectant mother is a woman who is pregnant.
I.C. Intent, SA8000: 3. Health and Safety

1. The intent of all of the elements of this requirement is twofold. First, it is to clarify and amplify the role of the employer as the responsible party in managing workers’ health and safety. This includes protecting workers’ health and safety by pro-active measures, such as, engineering controls, guarding, regular training, on the job instruction and communication of information. Second, it adds some new management responsibilities to more effectively provide these protections.

2. This requirement also provides some specific elements of the health and safety management system, e.g. naming a health and safety management representative, that enable management to establish, maintain and demonstrate its compliance with the requirement. Meeting these goals actively and proactively involves the workers, who must receive updated information, training and instruction in response to changes in the workplace, accidents or their jobs. This function is to be regularly addressed, which requires regular planning and documentation, through effective policy, organizing, planning, measuring, auditing and reviewing performance as detailed below.

Policy

Effective health and safety policies set a clear direction for the organization to follow. They contribute to all aspects of business performance as part of a demonstrable commitment to continuous improvement. Responsibilities to people and the environment are met in ways which fulfil the spirit and letter of the law. Stakeholders’ expectations in the activity (whether they are shareholders, employees, or their representatives, customers or society at large) are satisfied. There are cost-effective approaches to preserving and developing physical and human resources, which reduce financial losses and liabilities.

Organizing

Effective management structure and arrangements are in place for delivering the policy. All staff is motivated and empowered to work safely and to protect their long-term health, not simply to avoid accidents. The arrangements are:

- underpinned by effective staff involvement and participation; and
- sustained by effective communication and the promotion of competence that allows all employees and their representatives to make a responsible and informed contribution to the health and safety effort.

There is a shared common understanding of the organization’s vision, values and beliefs. A positive health and safety culture is fostered by the visible and active leadership of senior managers.

Planning

There is a planned and systematic approach to implementing the health and safety policy through an effective health and safety management system. The aim is to minimize risks. Risk assessment methods are used to decide on priorities and to set objectives for eliminating hazards and reducing risks.

Wherever possible, risks are eliminated through selection and design of facilities, equipment and processes. If risks cannot be eliminated, they are minimized by the use of physical controls or, as a last resort, through systems of work and personal protective equipment. Performance standards are established and used for measuring achievement. Specific actions to promote a positive health and safety culture are identified.

Measuring performance

Performance is measured against agreed upon standards in order to reveal when and where improvement is needed. Active self-monitoring reveals how effectively the health and safety management system is functioning. This looks at both hardware (premises, plant and substances) and software (people, procedures and systems) including individual behaviour and performance. If controls fail, reactive monitoring discovers why by investigating accidents, ill health or incidents which could cause harm or loss. The objectives of both active and reactive monitoring are:

- to determine the immediate causes of sub-standard performance; and
b) to identify the root causes and the implications for the design and operation of the health and safety management system.

Longer-term objectives must also be monitored.

**Auditing and reviewing performance**

The organization learns from all relevant experience and applies the lessons. There is a systematic review of performance based on data from monitoring and from independent audits of the whole health and safety management system. These form the basis of self-regulation and of complying with Health and Safety Regulations and other relevant statutory provisions. There is a strong commitment to continuous improvement involving the constant development of policies, systems and techniques of risk control. Performance is assessed by:

a) internal reference to key performance indicators; and

b) external comparison with the performance of business competitors and best practice, irrespective of employment sector.

Performance is also often recorded in annual reports.
I.D. Interpretations and Implementation, SA8000: 3. Health and Safety

1. The Health and Safety management system, as with the overall SA8000 management systems, must contain the primary elements of policy, planning and implementation, performance review and evaluation, corrective action, training and communication. (See Element 9: Management Systems)

2. SA8000 requires the establishment of policies, procedures, organization, planning, measuring, auditing and reviewing health and safety performance, to prevent workplace hazards and risks at their source and to seek continual improvement. A key element of SA8000 management is the development, implementation and maintenance of a written health and safety management system as described on page 29. Such health and safety systems constitute an indispensable component of the overall SA8000 management system.

3. The ultimate responsibility for a safe and healthy workplace resides with the employer. Accidents, ill health and incidents are seldom random events. They generally arise from failures of control and involve multiple contributory elements. The immediate cause may be a human or technical failure, but they usually arise from organisational failings which is the responsibility of the employer's management.

The practical implications of health and safety policies are thought through to avoid conflict between the demands of policy and other operational requirements. In these cases, management decisions lead to:

- unrealistic timescales for implementing plans, which put pressure on people to cut corners and reduce supervision;
- work scheduling and rosters which fail to take account of the problems of fatigue;
- inadequate resources allocated to training;
- organisational restructuring which places people in positions for which they have insufficient experience;
- jobs and control systems which fail to recognise or allow for the fact that people would be likely to make mistakes and might have difficulties communicating with each other.

The systematic approach also emphasises a commitment to continuous improvement. Learning from experience is essential. In many serious accidents, previous incidents foreshadow the potential for serious injury.

Health and safety is a management responsibility of equal importance to production and quality.

4. The employer’s commitment and leadership are essential to the establishment and implementation of health and safety management systems. Therefore we recommend that auditors check employer commitment first when reviewing the readiness of a health and safety management system. This must be a key focus during management interviews and one and one interviews are recommended to determine the level of knowledge and technical understanding possessed by key staff and leadership (see page 29 regarding organization and Element 9 for more about manager interviews).

5. Also at the core of a successful health and safety management system are clearly delegated and defined lines of duty and responsibility throughout all levels of the organizational structure, from shop-floor workers to top management. SA8000 Clause 3.2 requires that the company appoint a Senior Management Representative who is responsible and accountable for the implementation of the health and safety management system throughout the company or site. It is important to ensure that such a person is given appropriate authority, support and resources to adequately address health and safety issues at all levels. The role of the health and safety representative must be augmented and supported by other personnel, particularly shop-floor workers, whose role is to advise, review and implement health and safety matters. Note: Written responsibilities must be in place for all employees at all levels.

6. Employee and trade union or workers organization participation at all levels is a crucial element in creating a safe and healthy work environment, and is seen by the ILO as a “fundamental workers’ right” as well as a duty. In facilities without a trade union, worker participation in health and safety is nonetheless important, and workers must be able to freely and without employer interference elect representatives from among themselves to facilitate communication with management about the health and safety program. Employees must be invited to participate in health and safety program design, development and reviews. They must take an active part in identifying risks and designing solutions, creating a culture of ownership and responsibility. Employee participation is especially important when a major development is proposed that is likely to have health and safety implications, and when new health and safety measures are proposed. It is important for employees to be involved in incident reporting, accident investigations, health and safety
7. Institutionalized employee participation, through mechanisms such as worker health and safety committees, ongoing management-trade union dialogue, suggestion boxes, and complaint procedures can be a good indication of management commitment. Workers must 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 employees, worker delegates and health and safety officers, as well as physical implementation of corrective actions proposed by committees. Worker interviews can provide valuable information about employee awareness and the level and effectiveness of participation.

8. Training is a vital part of any health and safety program.

a) Auditors must look to verify that employers conduct regular and effective training programs and that workers are trained on how to perform their tasks safely and with minimum risk to health. Employers must provide training about the potential hazards of the workplace. Such training must include information about the nature and risks of activities and work equipment, chemicals, accident and illness incident investigation, information about risk prevention and control, and in particular, emergency drills.

b) Auditors must check to see that fire drills are repeated frequently enough to match the level of staff turnover and that a walk-through of the facility to review health and safety hazards and preventive procedures is part of the orientation for all new workers. At best a fire risk assessment should have been conducted and periodically reviewed.

c) The use of "instruction(s)", which includes training, emphasizes the need for both formal workers' instruction or training and the less formal, ongoing, job-specific instructions that occur within most workplaces. In virtually all cases training-type instructions must be in writing or other form of recording (e.g. where illiteracy rates are high), such as video or DVD format, and always in the language of the workers. On-site instruction must be delivered in a formal communication process, allowing for repetition and questions, for example, so that workers fully understand effective health and safety procedures. Sometimes drills are indicated to reinforce workers' learning and provide for their practical application. Workers must be able to explain to auditors what the instructions are telling them to do and how to do it.

d) Reinstruction is required periodically and must always be conducted following the occurrence of a workplace accident(s). This circumstance emphasizes the continuing responsibility of employers to identify, analyze and correct accident sites, in this case through repeated instruction. This requires that all workers be retrained, not merely those involved in the accident.

e) Relevant training must be extended free of charge to all employees in their native language. All training should occur during work hours, not as an added task, and if it occurs during weekends, workers should be compensated with overtime premium rates of pay, or with rest days to offset time spent in training. Training and instruction must also be offered to contractors and/or temporary workers working on site. If appropriate, the employer should invite external health and safety experts to deliver the training.

9. Employers must prepare and periodically review and update a written job hazard analysis and risk assessment, to be able to set objectives and priorities. These can be used as the basis for measuring the effectiveness of training. This will enable the employer to devise training methods to suit the objectives. Some training needs may have to be met through closely supervised on-the-job experience. For some high-risk jobs and tasks the training may include simulation exercises. The use risk assessment will help them make decisions about improving workplace precautions.

a) In addition to a general health and safety hazard analysis, the company needs to complete an ongoing risk assessment for new and expectant mothers and to minimize risks particular to them. The requirement is intended to provide new and expectant mothers adequate health and safety protections, recognizing that certain tasks may be particularly hazardous to their health and safety. For example, expectant 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 for the development of the foetus than for adult workers. The assessment also helps demonstrate that an employer is supportive of keeping these women employed with the company. The company is required to communicate effectively the results of this assessment to its workers. The emphasis here is on the company’s responsibility to assess and then reasonably remove and reduce workplace and job risks to these women.
b) This requirement does not permit any discrimination against new and expectant mothers, which includes prohibiting discriminatory pregnancy testing, firing, demotion or the like. The company shall comply with all national maternity laws when assessing all employment and workplace risks to new and expectant mothers.

10. Health and safety risk prevention and control measures must be applied throughout the facility.

a) Employers must devise workplace precautions that eliminate or reduce the risk as low as reasonably practicable. For example, the use of alternative, less volatile or flammable substances and less toxic chemicals and products, in the case of glues, paints and solvents, can make a workplace significantly safer. Similarly, well-maintained machinery and equipment used in conjunction with appropriate safety risk controls can prevent unnecessary accidents and injuries.

b) Where alternatives are not available, engineering solutions and work practices can significantly reduce exposure to hazardous substances and dangerous activities. Significant risks to workers can be eliminated by mechanizing activities such as dipping components in toxic solvents or cutting material with sharp power tools.

c) Where human exposure cannot be eliminated, maximum protection must be provided to avoid injury. No worker must be required to perform a hazardous task without the free provision of adequate protective equipment and gear. Management must ensure that Personal Protective Equipment (PPE) is adequate, feasible for workers to wear and that workers properly use the PPE. If replacement equipment is needed, workers must not be intimidated to ask for a replacement and must not be asked to pay for replacement. If the PPE is provided by a contractor, the company is still held responsible for it, both for direct and contract employees.

d) Emergency response procedures such as evacuation and first aid must exist, and all workers must be aware of the appropriate action in case of an accident. Health and safety representatives and on-site first aid medical staff must have clear knowledge of where to seek external medical aid in emergency. The root cause, impact and response to accidents must be investigated, recorded in writing and communicated to all employees.

11. Employers must keep in mind that accidents are more likely to happen when workers work long hours and overtime, and or when written or oral communication, instructions, training, protection and monitoring are insufficient. Accidents and injuries frequently occur during peak seasons, when overtime is common. Exhaustion and lack of concentration are significant contributing factors to accidents. Long hours leading to exhaustion also reduce workers’ resistance 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 put at risk when production demands lead to a fast pace and health and safety policies are neglected and unenforced.

12. Rehabilitation and compensation: Workers injured in workplace accidents or suffering from work-related diseases often lose their jobs and the working capacity to seek another job. In such cases, companies must ensure that the affected workers are provided with adequate rehabilitation and/or compensation. First aid assistance and follow-up medical treatment must be provided. Long-term medical treatment might be necessary if a serious injury occurs at the workplace. To verify this, auditors can study national laws and health and safety regulations, look for the existence of policies, as well as records of past incidents. Worker interviews can illuminate and expose past practices. Auditors may gain relevant information about such situations by consulting local trade unions, labour NGOs, and ex-workers.

13. Dormitory facilities and housing - whether owned by the company, leased or contracted from a service provider - shall meet the basic needs of personnel and requirements of SA8000. Auditors must inspect such dormitories or residences. Written records of accidents that occur in dormitory facilities or residences are required.

14. 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 their employers. It is meant to eliminate past horrendous emergency workplace fatalities caused by the lack of employers’ permission (or blocked exits) for employees to leave upon the first signs of a growing, serious danger, such as fire.

15. Documentation: There must be written records of all accidents in the workplace and in company-controlled residences and property. They must, at a minimum, include the reason, root cause, time, and name of person(s) involved in the accident. Further additions to the accident records should be included on
a case-by-case basis (e.g. days of work lost and compensation paid). All these written records must be maintained and reviewed to reduce the accident rate and improve auditability. The company should conduct an analysis of all health and safety risks, noting which risks require special instructions and who is responsible for ensuring those are followed.

The following is a list of the types of issues that are generally recorded and documented by audited companies. The list is by no means exhaustive. It is meant to provide examples of the documentation that should be kept by the company and made available to auditors.

a) Company-wide, broad health and safety policy;

b) Health and safety structure, lines and areas of responsibility;

c) Hazard analysis and assessment of health and safety risks;

d) Policies and procedures against the identified hazards such as machinery safeguarding, training, accident recording and investigation, expectant mothers, chemical safety, ventilation, fire safety, employee participation, disciplinary practice etc.;

e) Short and long term objectives for improving health and safety and lowering accident rates;

f) Monthly, quarterly or annual reviews of safety performance against goals and objectives;

g) Corrective and preventive actions taken to improve performance;

h) Records of decision-making and communication (e.g. minutes of meetings, memos sent to staff or management, posters used to communicate and inform);

i) Information sheets on specific hazards employees may encounter;

j) Regular reviews of preparedness and preventative action such as machinery maintenance and emergency drills;

k) Accident and investigation reports for all accidents, including cause, nature of the incident, impact, names and number of people involved, remedial action taken, and rehabilitation/compensation provided to victims or their families;

l) Training and on the job instructional material provided to employees and records of training provided to employees.

16. Indicators for an Effective Risk Assessment and Mitigation Plan for Health and Safety in SA8000

The following is guidance on how to effectively assess risk and compose a mitigation plan to protect the workplace from basic health and safety risks and geographic risks and threats:

a) All SA8000-certified companies are to have undertaken a documented, hazard identification, emergency preparedness and response, health and safety risk assessment with periodic ongoing and updated risk assessments. In addition to the basic health and safety risk assessment for the certified site, the process shall also include the geographic risks and threats, including seismic activities, flood, landslide and sabotage. Mitigation measures are to be based upon the likelihood of threat and actions shall be appropriately taken.

b) Ongoing and updated hazard identification and risk assessments are to be carried out by a team with the necessary competency, skills and knowledge. This process should also include workers representatives.

c) Evidence of designated competent individuals to assure emergency preparedness and response are to be maintained. Their actions should ensure:

i. Emergency exits and escape routes are completely unobstructed.

ii. Firefighting equipment is clearly marked, unobstructed and in serviceable condition. This equipment shall be clearly marked and have instructions for use in the language[s] of the workforce pasted adjacent to it.

iii. Potential sources of heat and fuel are controlled.

iv. Automatic fire detection, alarms, and systems are operational.
d) The hazard analysis and risk assessment process are to include development of an emergency preparedness and response plan to take into account actions by all personnel related to fire and/or other emergencies (manmade and/or natural disasters) with a clear definition of responsible persons to prevent, reduce and address any such emergency event.

e) All SA8000-certified companies are to produce a mitigation plan that determines the operations and activities associated with the identified occupational health and safety and industrial hazards and is to describe the controls necessary to manage these risks. The identification process is to include existing control measures and their adequacy.

f) The plan is to include a time frame for implementation with metrics to show progress. Immediate dangers are to be addressed within a short time frame.

g) Ongoing hazard identification, risk assessment, mitigation plan and corrective actions are to be reviewed at the company's documented regular internal audit and management review.

h) Indicators/evidence of implementation of an effective risk assessment and mitigation plan for emergency action, fire safety and evacuation include:

i. Emergency evacuation routes that are: clearly marked, continuously unobstructed, well lit with emergency lighting with backup power.

ii. Exterior doors and doors to exit hallways and staircases open in the direction of travel and can be readily opened from the inside by any worker without the use of keys or tools.

iii. One or more designated and marked external assembly points in an area safely away from where fire operations might occur.
   a. Emergency exit leading to open areas and pathways.
   b. Clear indications/signs for evacuation to emergency assembly area.
   c. An emergency assembly area of sufficient size to accommodate the full number of employees and other personnel who may reasonably be on site.
   d. A sufficient number of emergency exits for the building structure and number of employees and other personnel who may reasonably be on site.

iv. A fully operational early warning and evacuation alarm that can be heard and/or seen throughout the workplace, that is regularly tested and maintained with a backup power system.
   a. Audible and operational fire alarms.
   b. Audible, visible and operable smoke alarms.
   c. The number of alarms, at minimum, meets legal requirements.

v. Fully operational firefighting equipment in place, maintained and unobstructed, which meets the requirements of fire risk and fire class, is clearly marked, accessible and easy to use. Personnel are trained on the basic use of fire extinguishers with advanced training to emergency responders on all of the fire equipment.
   a. Adequate connected and pressurized water supply for fire hydrant system and any sprinkler system on the premises.
   b. Proper access for fire department vehicles.
   c. Adequate number and type of firefighting equipment and portable fire extinguishers in place, maintained and unobstructed, clearly marked, accessible and easy to use on every floor.
   d. Fire extinguishers to meet the class of fire and ignition source at its respective location.
   e. The number and type of firefighting equipment, at minimum, meets legal requirements.

vi. A system to regularly inspect, test and maintain an operational automatic early warning fire and smoke detection alarm with backup power.
   a. Emergency lights.
   b. Portable fire extinguishers and firefighting equipment with pressurized water system.
   c. Unlocked fire hose cabinets.
   d. Sufficient and accessible fire extinguishers for building structure and type of work done on premises.

vii. A system of precautions to prevent ignition of fires from sources of heat, open flames, electrical sparking, hot surfaces, welding, smoking, heat or sparks. Uncontrolled combustible material removed by adequate housekeeping and decontamination measures. Hazardous material stored and handled in a safe way.
a. Clean workplaces, free from dirt, dust and cigarettes.
b. Flammable and hazardous materials properly stocked and kept away from ignition sources.
c. Safe electrical wiring.
d. Gas sensors around gas-using and processing equipment.

viii. A system to train all employees in emergency evacuation, fire prevention and use of firefighting equipment. Certified companies shall employ a system whereby all personnel are trained in risk factors within or around the facility upon induction with refresher training every 6 months thereafter.

a. Emergency evacuation training shall include full evacuation drills where all personnel are evacuated and accounted for at the external assembly point.
b. Training shall include designation of a group of trained personnel (fire wardens) who intervene, when safe to do so, to support the evacuation of co-workers and take fire prevention and fighting action, as appropriate.
   1) This training shall include emphasis on the elimination of sources of ignition and heat.
   2) It shall also include training on the selection and use of fire extinguishers with an emphasis on when to use an extinguisher (based on the hazards in the respective work areas) and when to evacuate.
c. Adequate continuous training for all personnel shall include evacuation and the use of personal protective equipment. Adequate continuous training for fire wardens shall also include firefighting techniques, special hazards, and leadership training.
d. Evacuation and fire drills should be overseen by an external party, such as the fire authority, for timely and effective personnel evacuation.
e. Documented evidence of the training and evacuation drills shall be maintained, with evacuation times recorded.
II. Auditing Considerations, SA8000: 3. Health and Safety

For a company to be SA8000 certified, the auditor needs to verify that the company meets all SA8000 requirements. If the inspected company is OHSAS 18001 certified, it might take an auditor less time to audit the company against the health and safety requirements of SA8000, provided the auditor has access to all relevant OSHAS documentation.

II.A. Evidence of Compliance, SA8000: 3. Health and Safety

The following are examples of some issues that auditors should review. This list is not exhaustive. Auditors should adapt and/or expand the list and create a specific auditing strategy depending on the production facility and other local conditions (e.g. history and/or pervasiveness of health and safety concerns in the workplace or community).

Auditors must study all relevant national laws and local regulations regarding health and safety. Auditors should keep in mind that even when legislation does not address these issues, any company applying to be certified under SA8000 is obligated to develop and implement a comprehensive health and safety management system that fully reflects the hazards and risks of the workplace.

1. Overall Health and Safety Management:
   a) A comprehensive health and safety management system exists and is effectively implemented, documented and communicated.
   b) Management at all levels can explain their responsibilities with regard to SA8000, the company’s health and safety program and local government regulations.
   c) A health and safety officer or equivalent is appointed to ensure compliance with national and municipal health and safety regulations and industry codes of conduct. This officer has the authority and resources to carry out his/her compliance duties and in the case of non-compliance may carry out disciplinary measures.
   d) Emergency procedures exist, including records of regular emergency drills.
   e) Documentation and records are complete.

2. Workers Awareness and Involvement
   a) Workers and their representatives are able to confirm and explain the functionality and effectiveness of the health and safety program.
   b) Workers are informed effectively of health and safety risks, such as exposure to hazardous chemicals, machinery, etc. and they can explain how those risks are controlled and minimized.
   c) Workers know what to do in case of an emergency and the correct person to talk to if they have a health or safety concern.
   d) Training records indicate appropriate content and extent of training.
   e) A mechanism exists to encourage input from workers on health and safety issues.
   f) Take note of worker appearance: do workers have injuries, rashes, or other signs of exposure to harmful substances or inappropriate use of machinery, lack of protective clothing?
   g) Take note of worker attitude: do workers feel comfortable talking about health and safety issues? Is there a culture of openness or is there a sense of secrecy and lack of trust?

3. Specific Risks, Hazards, and Precautions
   a) Regular preventive maintenance, that is, systematic inspection, detection, and correction of incipient failures either before they occur or before they develop into major defects, is carried out on the control measures to reduce harm to health and safety to ensure that they remain effective, such as exhaust
b) Health hazards from chemicals and substances are conspicuously identified, along with information, instruction and training for employees and others.

c) Monitoring of exposure limits of chemicals and substances is carried out.

d) Health surveillance is conducted on employees who are exposed to toxic substances.

e) Adequate and suitable personal protective equipment is freely available to workers, and employees are trained in its correct use.

f) Risk assessments and adequate risk controls are in place for chemicals and substances, asbestos and dust, electricity, machinery and steam boilers at the facility.

g) First aid supplies and the number of trained personnel are adequate for the size of the facility and the industry, and they are accessible to all workers.

h) Qualifications of first aid personnel are adequate for the needs of the facility.

i) Fire risk assessments are in place that cover: fire safety management, prevention, detection and alarms, firefighting equipment and facilities, fire escape routes, emergency lighting, fire signs and lighting, testing and maintenance and fire safety training. [See Appendix]

j) Written emergency plans are in place and fire safety co-coordinator and fire wardens have been appointed and adequately trained.

k) A sufficient number of suitable fire extinguishers are provided charged, visible and accessible to all workers. Fire extinguishers are serviced on an annual basis and are substituted with functional extinguishers when they are removed for service. Fire exits are adequate for the number of employees, well signed and clear of obstacles.

l) There are a sufficient number of fire escape routes to enable all persons to evacuate safely.

m) Emergency exits are accessible and cannot be locked, blocked or secured in a manner that prevents egress.

n) Reports are available of all emergency drills conducted for evacuating the building[s] to a place of safety.

o) Tests are regularly performed to ensure water is potable and results are documented.

p) The temperature and air quality in the factory is periodically verified by a reputable, independent source, records are up to date, and employee reports of illness do not contradict these records.

q) Inspections of the transport system for workers to or within the production site are regularly performed and documented.

r) The company maintains accident reports, and the SA8000 worker representative, the workers’ trade union (for unionized facilities), and the health and safety committee have access to them.

s) A certificate attesting to the implementation of health and safety measures from a qualified competent health and safety agency, if available, should be considered, but should not form the sole basis for compliance with this portion of SA8000.

II.B. Worker Interview Strategy, SA8000: 3. Health and Safety

The following is a recommended general strategy for conducting interviews with workers. Auditors should refer to it and develop a strategy that is adapted to suit specific local conditions and cultural settings.

Interviewing workers is critical for an evaluation of health and safety conditions. Workers can confirm or
contradict inspection findings and management claims, and highlight issues that escape the auditor’s attention. More importantly, worker interviews offer the best opportunity to measure workers’ awareness of workplace hazards and knowledge of preventive risk measures, without which no health and safety program can be effectively implemented.

Auditors should review the health and safety history of the site, and make specific attempts to interview workers who were involved in accidents, fell ill, or are working in roles in which illness or accidents occurred in the past.

It is generally recommended that auditors give workers a chance to say what they think about health and safety conditions. General, open-ended questions are a good way to ensure that the conversation is not confined to the auditor’s pre-designed questionnaire and such issues such as levels of light, odour and noise are not excluded as ‘unimportant’ or trivial.

Auditors should expect that workers’ level of knowledge on health and safety issues may vary. A general recommendation is to avoid the use of technical jargon. For instance, instead of asking “Do you have access to Material Safety Data Sheets (MSDSs)?” consider asking “Are these [chemicals/ paints/solvents mentioned by the worker] dangerous?” “Do you know which ones can be toxic?” etc. It should be evident from the conversation what mechanisms are in place and how effective they are.

An auditor can design questions in a way that would not make workers’ responses sound accusatory to the factory management. For instance, instead of asking “Do you feel that your health is at risk working here?” consider asking “Are there times when you feel less safe than others?” Instead of asking “Do you think anything needs to be changed?” consider asking “What would you suggest if the manager asked for your opinion on making improvements in the factory?”

Sample questions:

1. Do you generally feel safe at work?
2. Are there times that you feel less safe than others? Can you tell me more about those times?
3. 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?
4. If you saw something that was of concern, for example [X, Y or Z problem], 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?
5. 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) How is the information presented? (look for training, notices in native language, signs, usage records)
6. If a new worker starts working on a dangerous machine [specify the machine/s in question], how does she/he know how to work safely? Look for a more detailed response than “the manager shows her.”
7. Do you know the evacuation route? Please explain the evacuation procedure to me.
III. Background Information, SA8000: 3. Health and Safety

Over recent decades, the level and sophistication of the attention given to health and safety issues has increased significantly. Improved science and technology allow accurate analysis and monitoring of health and safety issues, and better understanding of cause and effect – and therefore prevention and treatment. At the international and national levels, enhanced administrative and legislative frameworks lay out the roles, responsibilities and rights of authorities, employers and workers. At the enterprise level, especially in the developed world, there is increasing recognition of the need to provide a safe and healthy work environment. Such recognition is driven by tougher penalties and higher costs of non-compliance, as well as cost savings, efficiency and employee retention gains.

III.A. International norms

Achieving a safe and healthy work environment is the responsibility of society as a whole, and will only be achieved through cooperation between actors at the international, national, and local level. When auditing for health and safety issues, the team should therefore bear in mind all the relevant stakeholders, legislation, standards and codes of conduct. In addition to international standards such as ILO conventions, the auditing team should consider the specific national, provincial and municipal rules and legislation that might be relevant to the site. Many countries and many states have substantial government departments set up specifically to oversee health and safety issues. Their standards and guidelines can provide detailed and valuable information. Industry codes of conduct can provide further insights into the specific health and safety issues the team may encounter at the inspection site.

Approximately 70 ILO Conventions and Recommendations address safety and health issues. Further guidance on specific issues and industries 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.

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 the 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 the company, best use of the company’s resources, and cooperation between employers and employees.

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.


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
III.B. Typical hazards and risks in manufacturing

The following is an outline of some of the most common health and safety issues reported in factories and similar work environments. Some areas do not apply in all circumstances, however the auditor must be satisfied that an issue is NOT of concern at the site before dropping it from the inspection. For instance, although exposure to asbestos may not be relevant to the toy manufacturing process, the auditor should check that the building itself does not contain crumbling asbestos. In every case national legal regulations on first aid material, first aid facilities and trained personnel must be followed.

1. Latent Health Hazards

According to ILO data published in 2011, every year 2.3 million people die because of occupational injuries or work-related diseases, which equates to around 6,300 deaths per day.¹⁴ 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. 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. The latency of many health effects means it can be difficult to make the link between cause and effect, to establish the source of exposure and at times to find all the affected past workers in order to ensure appropriate medical treatment and compensation. Prevention of occupational health hazards is therefore of utmost importance and auditors should be aware of the long-term risks in any industry they audit.

2. Exposure to Chemicals

Hazardous chemicals are used in many workplaces and can cause a wide variety of short and long-term health hazards, from mild irritation to cancer. The risk of exposure 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 employee’s personal sensitivity to the substance. Some countries set maximum exposure standards for many hazardous substances. Exposure should not exceed those levels, and preferably be kept as low as practicable, since effects caused by the mixing of substances and personal sensitivities are rarely considered in such exposure standards.

Management must identify and collect information about all hazardous chemicals and substances used within the facility, and make that information available to workers. Material Safety Data Sheets (MSDS) must be available and accessible. The employer must ensure that workers are aware of the nature and risks associated with the substances to which they are exposed. Where hazardous chemicals or substances are used, employees must be trained and the levels of hazardous chemicals or substances in the work environment must be monitored regularly to ensure exposure does not exceed safe levels.

The hierarchy of risk minimization should apply when dealing with hazardous chemicals:

a) Eliminate the need for the hazardous chemical or substance by, for example, redesigning the process.

b) Substitute a less hazardous chemical or substance for the one currently being used.

c) Isolate or enclose the process in which the hazardous substance is used.

d) Use local exhaust ventilation.

e) Use general or dilution ventilation.

f) Use suitable and adequate Personal Protective Equipment (PPE).

g) Reduce the exposure time of employees.

h) Always implement personal hygiene (for example a ban on eating and drinking in contaminated areas, providing washing facilities, and disposing of contaminated PPE).

i) Finally, spill control, first aid and emergency procedures must exist and be available at short notice in case of accidents and incidents involving hazardous substances.

Chemicals are not the only hazardous substances found on a worksite. Heavy metals such as lead and mercury can pose significant health risks, as can cigarette smoking in the workplace. Workers may not associate adverse health effects with exposure to hazardous substances. Nausea and dizziness caused by exposure to chemicals may be mistakenly attributed to heat or fatigue.

3. Exposure to Asbestos and Dust

The inhalation of dust and asbestos 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 more than two-thirds of all verified occupational diseases.

Exposure to asbestos 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. The U.S. Occupational Safety and Health Authority (OSHA) sets exposure limits for asbestos at 0.1 fibres per cubic centimetre (cc) of air over an 8-hour period, and at 1.0 fibre per cc of air over any given 30-minute period.

Exposure to cotton dust can lead to conditions such as byssinosis or “brown lung disease” and cancer. OSHA recommends twice-yearly measurements of cotton dust using a vertical elutriator or equivalent equipment. The exposure limit for respirable cotton dust is set by OSHA between 200-1000 micrograms per cubic meter of air, measured over an 8-hour period, depending on the type of operation.

Exposure to wood dust can cause a variety of health problems, from nose and throat irritation to allergic reactions to contact dermatitis and cancers such as sinonasal adenocarcinoma. Additional health problems can result from inhaling fungi and molds that grow on the wood and chemical residues from wood treatment, 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, the type of wood should be determined and appropriate standards and measurement techniques applied.

Common sources of exposure:

a) Manufacturing, cutting or processing dust-producing materials such as wood, cotton and other fabrics.

b) Manufacturing and processing asbestos-containing products such as textiles, building material and brake and clutch components.

c) Contact with deteriorating asbestos-containing buildings.

d) Disturbance of asbestos-containing materials during the renovation or demolition of buildings.

e) Dusty environments common in mines, construction sites, food processing plants, facilities that generate metallic dust and agriculture.

In most countries asbestos has either been banned or there are strict regulations in place that control the use through licensing or removal. Buildings with existing asbestos containing materials that are in good condition and are not likely to be damaged are recommended to be left in place and their condition monitored and managed to ensure they are not disturbed.

It is best practice for auditors to check local, regional and country regulations regarding asbestos. Companies that are still allowed to use asbestos in the manufacturing and production process must have a risk assessment that clearly identifies asbestos risk controls.
4. Handling of Electricity

The incorrect handling of electricity may cause danger to the health of employees. Facilities must comply with national legal regulations related to electric power.

Auditors should observe the following items:

a) Electrical contacts are not freely accessible or bare.

b) Power sockets, switches etc. must function properly and be in good condition.

c) Electric installations are installed in a fixed and secure manner.

d) Electric cables are not impeding access to workspaces or run alongside open knives/blades.

e) Electric installations are grounded to avoid the conduction of electricity through metal components and machines.

f) High-voltage warning signs are displayed next to main power connections or main fuse boxes.

g) Electrical junction boxes, electrical control rooms and fuse boxes are secured with a lock and made of flameproof material; they are accessible only to authorized personnel.

h) Work on electrical systems may only be conducted by competent qualified personnel.

i) Electrical installations are inspected for safety at regular intervals.

Note: A common cause of fires is through faulty electrical equipment and power distribution systems.

5. Safety of Machines

Machines and components such as saw blades, band knives, punches or presses are normally fitted by their manufacturers with safety devices. There is particular danger from machines where the necessary safety devices are missing or defective. There is likewise an increased risk if the employees working on the machines have not been properly instructed on the use of the machines. Facilities must comply with national legislation for machine safety. The following items should be observed by auditors:

a) Access to rotating or oscillating machine parts and the corresponding working zone a safe distance from other workers or passers-by.

b) 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.

c) Machines must in all cases be fitted with fully operational emergency cut-off switches.

d) Warning signs are prominently placed on dangerous machines.

e) Machine operators are given accident prevention training when they start work at a new workplace/machine, and this is repeated at regular intervals and when noncompliance with policies is found.

f) Workers can explain safety precautions and emergency plans related to all machines.

6. Safety of Steam Boilers

Steam boilers are a major source of potential danger, since the water inside 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 employees. The combustion chamber of a steam boiler creates a fire risk, as does the storage of fuels such as gas, oil or coal. Facilities must comply with the national legal regulations for steam boilers. The following items should be observed by auditors:

a) Steam boilers operated with gas, oil, coal or other combustible materials are not installed close to dormitories, staircases or escape routes.

b) Stationary steam boilers are installed in separate rooms or buildings, which are secured with a lock; only authorized persons have access to these rooms.
c) High-pressure safety relief valves are installed in every steam boiler.

d) The steam boiler system must be in good condition and tested regularly.

e) Where required by law, steam boilers must be inspected by the relevant government authority and
documentation for this inspection must be maintained.

f) There are safety rules and operating instructions for the steam boilers and these are available on site.

g) Employees who operate the steam boilers are appropriately qualified to do so and have completed safety
training.

7. Fire Safety and Emergency Cases

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. The audit team must note
the general level of fire emergency preparedness on the site. The following is a partial list of hazards
auditors should review:

a) Flammable vapours and dusts must be controlled as to prevent contact with exposed flame, hot surfaces
or sparks from welding or similar activities.

b) Risky activities involving exposed fire, sparks, hot temperatures or flammable materials must not take
place in the vicinity of flammable building materials, floors, walls and roofs.

c) Flammable substances must be stored in safe areas and preferably fireproof containers, and workers
handling them must be aware of their combustible nature and appropriate handling procedures.

d) Electrical wiring, circuits and machinery must be well maintained in order to minimize the risk of an
electrical fire.

e) The number and placement of fire alarms and fire extinguishers must be adequate for the size of the site,
and be tested and inspected regularly.

f) Fire extinguishers must be appropriate for the type of fire risks – different chemical extinguishers may be
used for fire involving wood, material, paper, etc. than for fires involving flammable liquid, live electrical
components and oils.

g) Fire wardens must be present on each site, preferably on each floor, and must be trained in the use of
fire-extinguishing equipment.

h) Emergency evacuations must be practiced regularly. Each worker must participate in at least one
evacuation drill per year in order to be familiar with emergency exits and procedures.

i) There must always be an adequate number of emergency exits based on the number of occupants. These
exits must always be unobstructed, clearly marked, well lit and lead to safe areas outside of the building. The
“International Council of Toy Industries” (ICTI) requires a minimum of two exits per floor, and recommends
that no worker must be farther than 200 feet away from the nearest exit. Fire doors must be operable from
the inside at all times, constructed so as to not allow them to prevent egress at any time.

Note: Fire risk assessments must be in place as these will help cover all situations and provide the suitable
risk controls to eliminate or reduce the risk of fires.

8. Workplace Hygiene and Sanitation

All workers must have access to sufficient potable water in working, eating and sleeping areas. The water
source must be tested annually to ensure it is safe to drink, and the employer must be able to produce
certification documents to verify test results.

Adequate, functional, accessible and clean toilet and hand-washing facilities must be provided in both work
areas and dormitories.

Food and water must be stored safely to avoid contamination from the air or from chemical residue on
containers. Where food is prepared or sold on site, management must ensure that it is safe from
contamination, and that preparation, handling and storage comply with local regulations and sound hygienic
standards. Refuse must be disposed of safely and hygienically on a regular basis, avoiding odours and pests.

If the company provides dormitory facilities, it is recommended that the audit team check that the facilities:

a) Are clean, tidy, and not overcrowded;

b) Are well-ventilated and heated/cooled to ensure comfortable conditions;

c) Have adequate and culturally appropriate toilets and warm showers;

d) Have appropriate and culturally acceptable arrangements for laundering clothing.

e) Are covered by the Fire Safety and Emergency Cases arrangement - see Element 7 above.

9. Exposure to Heat and Cold

Beyond mere discomfort, extreme or prolonged exposure to hot or cold conditions can cause serious damage to health and even death. Heat stress can cause burns, rashes, cramps, exhaustion, heat fatigue, collapse, or stroke. Cold can cause hypothermia, frostbite and, in certain cases, such as with liquid nitrogen, cold burns.

Heat and cold injury can result from:

a) Prolonged exposure to high or low air temperatures and high humidity;

b) Exposure to radiant heat sources such as furnaces or direct physical contact with very hot objects such as molten plastics or hot water;

c) Direct contact with cold objects such as refrigerated or frozen food and very cold water;

d) Strenuous physical activity;

e) Lack of adequate clothing in cold and exposed work environments.

In most places, the ambient temperature varies considerably throughout the year. If the time of inspection is not the coldest, hottest or most humid time of the year, workers, management and medical personnel must be asked about conditions during extreme weather conditions. If air-conditioners, fans or heaters are present, workers must be asked if those are used whenever needed. If the electricity supply is inadequate or unreliable, ensure a back-up plan exists so that a non-air-conditioned or non-heated site does not become too hot or too cool.

Workers handling extremely hot or extremely cold items, working in hot or cold environments or with hot or cold liquids must be given special considerations. Ensure protective equipment exists and is used where needed. Ensure duration of exposure is not excessive and that rotation is used in places like cool-rooms and near furnaces to avoid discomfort and over-exposure. Ensure plenty of potable water is readily available. If in doubt, measure air temperatures and workers' body temperature (using a thermometer). Workers' deep body temperature must not exceed 38°C (100.4°F).

10. Noise

Although it may not seem as important as fire risk or exposure to hazardous chemicals, according to the World Health Organization (WHO) noise-induced hearing impairment is the most common irreversible (and preventable) occupational hazard worldwide.

Exposure to noise 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 dB is potentially hazardous. The audit team can use existing records if they are deemed reliable, or measure noise levels using noise dosimeters or sound level meters.

The U.S. Department of Labour offers the following distribution of allowable exposure:
TABLE G-16 – PERMISSIBLE NOISE EXPOSURES (1)

<table>
<thead>
<tr>
<th>Duration per day, hours</th>
<th>Sound level dBA slow response</th>
</tr>
</thead>
<tbody>
<tr>
<td>8</td>
<td>90</td>
</tr>
<tr>
<td>6</td>
<td>92</td>
</tr>
<tr>
<td>4</td>
<td>95</td>
</tr>
<tr>
<td>3</td>
<td>97</td>
</tr>
<tr>
<td>2</td>
<td>100</td>
</tr>
<tr>
<td>1 ½</td>
<td>102</td>
</tr>
<tr>
<td>1</td>
<td>105</td>
</tr>
<tr>
<td>½</td>
<td>110</td>
</tr>
<tr>
<td>¼ or less</td>
<td>115</td>
</tr>
</tbody>
</table>

Hearing protection must be provided free of charge where noise levels exceed allowable exposure. Where workers are exposed to high levels of noise, the employer must also provide annual audiometric testing to monitor impact on workers’ hearing. The WHO states: “Audiometric testing must be made available at no cost to all employees who are exposed to an action level of 85 dB or above 35.” Records of audiometric tests must be kept for the duration of employment for each affected employee.

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IV. Appendix, SA8000: 3. Health and Safety

IV.A. Fire Safety Risk Assessment

SAMPLE FIRE SAFETY RISK ASSESSMENT

The 5 steps of a fire risk assessment:

**STEP 1 – IDENTIFY FIRE HAZARDS**

Identify:
- Sources of ignition
- Sources of fuel
- Sources of oxygen

**STEP 2 – IDENTIFY PEOPLE AT RISK**

Identify:
- People in and around the premises
- People especially at risk

**STEP 3 – EVALUATE THE RISKS**

Identify whether existing fire safety precautions are adequate or more needs to be done:
- Fire safety management
- Fire prevention
- Fire detection and alarms
- Fire-fighting equipment and facilities
- Fire escape routes
- Emergency lighting
- Fire signs and notices
- Testing and maintenance
- Fire safety training

Evaluate the risk of a fire occurring

**STEP 4 – RECORD AND ACT**

Record significant findings and the action required:
- to remove or reduce fire hazards
- to remove or reduce the risks to people

**STEP 5 – REVIEW**

Keep assessment under review

(Have there been any significant changes or is there any reason to suspect that the assessment is no longer valid?)

Revise where necessary
FIRE SAFETY RISK ASSESSMENT CHECKLIST

Premises location / address:

<table>
<thead>
<tr>
<th>Assessor name:</th>
<th>Date:</th>
<th>Ref. No:</th>
</tr>
</thead>
</table>

Part(s) of premises assessed: (e.g. dormitory, kitchen, warehouse, office)

Description of premises: (Number of floors, rooms, work activities etc)

Step 1 – Fire hazards
Tick all those that apply
Add comments where appropriate (e.g. location, condition)

<table>
<thead>
<tr>
<th>1.1 Sources of ignition (naked flames or potential sources of heat that could get hot enough to ignite material in the premises).</th>
<th>Yes</th>
<th>No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smokers’ material e.g. cigarettes, matches and lighters</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Naked flames e.g. candles, night lights, gas or liquid-fuelled open-flame equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrical, gas or oil-fired heaters (fixed or portable)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boilers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hot processes e.g. welding</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooking equipment and activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrical equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lighting equipment (fixed and movable) e.g. halogen lamps or table lamps</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obstruction air conditioning/ventilation equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arson</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other (please specify)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1.2 Sources of fuel (anything that burns easily and is present in sufficient quantity)</th>
<th>Yes</th>
<th>No</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Furniture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Textiles and soft furnishings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste products, particularly finely divided items e.g. shredded paper, wood shavings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flammable liquid-based products e.g. cleaning products, paints, thinners, adhesives, paraffin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flammable gases e.g. LPG and aerosols</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paper products, packaging materials, stationery, books</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plastics and rubber e.g. foam-filled furniture,</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Step 2 – Persons at risk
Tick all those that apply
Estimate the number of persons at risk in each category
Add comments where appropriate

<table>
<thead>
<tr>
<th>2.1 Who is at risk?</th>
<th>Yes</th>
<th>No</th>
<th>How many?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temporary / casual workers</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visitors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Others (please specify)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.2 Who is especially at risk?</th>
<th>Yes</th>
<th>No</th>
<th>How many?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>People asleep</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees who work alone and/or in isolated areas e.g. cleaners, maintenance staff, security</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People carrying out specific tasks that may restrict access and movement e.g. working at height</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People who are unfamiliar with the premises e.g. visitors, customers, new staff, contractors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People with disabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People whose reactions may be impaired due to alcohol, drugs or medication</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other people in the immediate vicinity of the premises</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Step 3 – Evaluate the risks
Answer each question and place a tick in the relevant column (‘Yes’, ‘No’ or ‘Not Applicable’)
If the answer to any of these questions is NO, you must identify the action(s) required in the ‘Action Plan’ (step 4).

3.1 Fire safety management

<table>
<thead>
<tr>
<th>3.1 Fire safety management</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is there a written emergency plan for the premises?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the emergency plan contain enough detail to ensure that people know what to do if there is a fire and that the premises can be safely evacuated?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is there a floor plan(s) detailing the general fire safety precautions (location of</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Question</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>-----</td>
<td>----</td>
<td>-----</td>
</tr>
<tr>
<td>Are fire extinguishers, fire doors, escape routes etc)?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is there a named person(s) with overall responsibility for fire safety at the premises (i.e. Fire Coordinator)?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are fire wardens appointed for each area of the premises?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are there sufficient numbers of fire wardens to safely evacuate the premises?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Have arrangements been made to account for all persons on the premises after evacuation (e.g. roll calls)?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are all staff aware of their own duties and responsibilities in the event of a fire?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is there a designated person(s) to call the fire brigade?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are fire assembly points outside clearly identified and signed?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are emergency fire drills carried out at least every 6 months?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.2 Fire prevention – general</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Are flammable substances/materials safely stored and used?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the premises kept clean and tidy with waste materials placed in designated waste bins?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are waste bins emptied regularly and waste stored in secure containers outside the premises?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are the premises secure against the risk of arson?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are fire doors kept closed at all times?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are all furnishings in good condition with no holes exposing foam-filled materials?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are all furnishings made of flame-retardant materials (look for labels to confirm this)?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are there areas which are not normally occupied and where a fire may start unnoticed?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are gas cylinders stored securely outside the building?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.3 Fire prevention – electrical</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Are all individual electric heaters fixed in place with a suitable guard?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Has the electrical installation been tested by a qualified electrician?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is there any evidence of overloaded electrical sockets (e.g. discoloured or charred electrical plugs and sockets)?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are electrical trailing/extension leads kept to a minimum length and not placed where damage is likely?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is electrical equipment kept well away from combustible materials?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are all electrical repairs carried out by a qualified electrician?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is electrical equipment brought in by staff inspected/tested to ensure it is in good condition?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.4 Fire prevention – heating, cooking and appliances</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>Are all heating appliances safe (i.e. securely fixed in position, guards/covers in place, and adequate clear space free of storage of any kind)?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are all portable heaters including LPG heaters prohibited from within the premises?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are all cooking appliances safe (i.e. securely fixed in position and properly maintained)?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.5 Fire prevention – smoking</td>
<td>Yes</td>
<td>No</td>
<td>N/A</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>-----</td>
<td>----</td>
<td>-----</td>
</tr>
<tr>
<td>Are extraction filters in the kitchen regularly cleaned and maintained?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are mains gas and electricity switches clearly marked so that staff know where to turn off equipment in the event of a fire?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3.6 Fire prevention – buildings</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are designated smoking areas clearly marked?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In areas where smoking is allowed, are sufficient ashtrays provided and are they emptied regularly?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3.7 Fire detection and alarm systems</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is smoking prohibited except in designated smoking areas?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3.8 Fire fighting equipment and facilities</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identify the number, type, location and condition of all fire extinguishers</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3.9 Fire escape routes</th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are fire extinguishers hung on wall brackets or on a suitable base plate (not on the floor)?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Have the people likely to use fire extinguishers been given adequate instruction and training?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is there clear access for the fire brigade at all times?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Identify how many escape routes there are from the building.

Estimate how long it would take for everyone to escape from the building once the fire alarm has been raised.

Are there a sufficient number of fire escape routes to enable all persons to evacuate safely?

Are the fire escape routes of sufficient width to enable all persons to evacuate safely?

If there is a fire, could all available exits be affected or will at least one fire escape route remain available?

Do the final exits lead to a place of safety?

Are the fire escape routes and final exits kept clear at all times?

Do the doors on fire escape routes open in the direction of escape?

Can all final exit doors be opened easily and immediately if there is a fire (e.g. push-bars)?

Will everybody be able to escape safely from the building in a reasonable time (i.e. less than 2 minutes)?

Are all fire escape routes clearly and properly signed?

### 3.10 Emergency lighting

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are all fire escape routes provided with adequate lighting at all times of the day and night?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is emergency lighting provided on fire escape routes?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the emergency lighting operate automatically after power failure (i.e. back-up battery supplies)?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is emergency lighting provided outside the building to illuminate exit routes from the building?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 3.11 Fire signs and notices

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are appropriate fire signs provided to identify:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Fire escape routes?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Fire exits?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Fire doors?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Fire fighting equipment?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are ‘Fire Action’ notices displayed at suitable locations throughout the premises?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are all fire signs clear, legible and easily understood?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 3.12 Testing and maintenance

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are regular checks made of all fire doors and escape routes and associated lighting and signs?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are regular checks made of all your fire fighting equipment?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are regular checks made of fire-detection and alarm equipment?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are those who test and maintain the equipment competent to do so?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Are written records kept of all testing and maintenance?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 3.13 Fire safety training

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Are employees trained at least once every 12 months on the actions to take in the event of a fire?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the training include:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
- Action to take on discovering a fire?
- How to raise the fire alarm?
- Action to take on hearing the alarm?
- Procedure for evacuating the building to a place of safety?
- Where to assemble after evacuating the building?
- Location and use of fire fighting equipment?
- Location of fire escape routes?
- How to open all fire escape doors?
- Importance of keeping fire doors closed?
- Importance of general fire precautions and good housekeeping?

| Is additional training given to those persons with specific responsibilities in the event of a fire (e.g. fire wardens, security)? |
| Are written records kept of fire safety training? |
| Are there similar arrangements for informing temporary/casual workers of fire safety precautions? |

### Fire risk category – evaluate the risk of a fire occurring

*Assess the overall fire risk category based on the answers in section 3.*

*Place a tick against the relevant risk category.*

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Where:</th>
</tr>
</thead>
</table>
| **HIGH RISK** | - there is a serious risk to life from fire, or  
- there are substantial quantities of combustible materials, or  
- there are highly flammable substances, or  
- there exists the likelihood of the rapid spread of fire, heat or smoke. |
| **NORMAL RISK** | - there are sufficient quantities of combustible materials and sources of heat to be of greater than low fire risk, but  
- a fire would be likely to remain confined, or to spread slowly. |
| **LOW RISK** | - there is hardly any risk from fire, and  
- few combustibles materials, and  
- no highly flammable substances, and  
- virtually no sources of heat. |
### Step 4 – Action Plan

**Instructions:**
- If the answer to any of the questions in section 3 was NO, you must identify the action(s) required below.
- The assessor section should identify the relevant subject (e.g. fire safety training), the corrective action required, and the date the action was completed.
- The management section should identify the costs of each action, the person responsible for implementation and the target completion date.

<table>
<thead>
<tr>
<th>Ref. No.</th>
<th>Subject</th>
<th>Details of corrective action to be taken or planned</th>
<th>Date completed</th>
<th>Costs</th>
<th>Responsibility</th>
<th>Completion date</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.11</td>
<td>Fire signs</td>
<td>2 additional fire escape signs are required in the second floor dormitory.</td>
<td>X RMB</td>
<td>J Bloggs</td>
<td>31 June 2011</td>
<td></td>
</tr>
</tbody>
</table>

Assessor signature: | Review date (Step 5):
SA8000® Consolidated Guidance  Freedom of Association & the Right to Collective Bargaining

Note on Structure:

The consolidated guidance will be uploaded to the SAI website as a webpage <www.saintl.org/SA8000> that will include the text of the section “About the Standard”, only a list of the titles of Standard’s main sections I, II, III & IV.1-IV.9, and hyperlinks to “SA8000® Certification”, SA8000 Accreditation (Application Package), “SA8000 for Download”, “SA8000 Translations” and “SA8000 Complaints Process”. Each section title (e.g. III. Definitions and IV. Requirements: 4. Freedom of Association and the Right to Collective Bargaining) will be a hyperlink to a sub-page of the SA8000 main page.

Each “element page” (e.g. SA8000:4. Freedom of Association and the Right to Collective Bargaining) will list its own sections and subsections, the titles of which will be hyperlinks to its own page, to avoid overly long pages and to provide the option of printing the separate sections. On the side-bar, an outline of the SA8000 “section” of the website will enable the user to navigate without having to click “back” on the browser. In this draft of the element page for Freedom of Association and the Right to Collective Bargaining, the main sections I, II and III are separated by page-breaks.


   Requirements
      III.A. International norms


4.1. All personnel shall have the right to form, join, and organize trade unions of their choice and to bargain collectively on their behalf with the company. The company shall respect this right, and shall effectively inform personnel that they are free to join an organization of their choosing and that their doing so will not result in any negative consequences to them, or retaliation, from the company. The company shall not in any way interfere with the establishment, functioning, or administration of such workers’ organizations or collective bargaining.

4.2. In situations where the right to freedom of association and collective bargaining are restricted under law, the company shall allow workers to freely elect their own representatives.

4.3. The company shall ensure that representatives of workers and any personnel engaged in organizing workers are not subjected to discrimination, harassment, intimidation, or retaliation for reason of their being members of a union or participating in trade union activities, and that such representatives have access to their members in the workplace.


1. Worker organization: A voluntary association of workers organized on a continuing basis for the purpose of maintaining and improving their terms of employment and workplace conditions.

2. Collective bargaining agreement: A contract for labour negotiated between an employer or group of employers and one or more worker organizations, which specifies the terms and conditions of employment.

3. SA8000 worker representative: A worker chosen to facilitate communication with senior management on matters related to SA8000, undertaken by the recognized trade union(s) in unionized facilities and, elsewhere, by a worker elected by non-management personnel for that purpose.


1. The intent of SA8000 is to promote ongoing, constructive social dialogue between workers, collectively, and management. This Guidance offers more details and establishes more auditable criteria aimed at supporting employers’ respect of these rights and compliance with the Standard’s requirements. It also assists auditors in their verification of a company’s performance.

2. The Standard’s provisions on freedom of association and collective bargaining require employers to demonstrate that they have actively developed and implemented the necessary actions to ensure that their worksites provide a truly free and protected environment for the workers’ decision on whether to have union representation.

3. Prior to SA8000:2008, the Standard required the employer to “facilitate parallel means” of worker associations in those states where it is not possible to establish free and independent trade unions. SA8000:2008 requires employers in such states to allow workers to freely elect representatives. This is intended to mandate that employers honour and provide a safe workplace for workers’ full exercise of their rights to “worker representatives” with the same gravity and restraint as employers in states that do permit free and independent trade unions, and for workers to directly elect their representatives at the company level. Notably, the emphasis in this requirement is on employers ‘allowing’ workers to choose their representatives as opposed to previous editions, which used the more active verb ‘facilitate’.
Workers choice of their representatives shall also mean that their representatives be chosen from amongst their number of workers, not from supervisory or managerial ranks. In every case, employers must not interfere in workers’ exercise of these rights.

4. That gravity and restraint is further defined by the provision (1.A.4.1) prohibiting employer interference, on its own or through third parties, in affecting or competing with the full exercise of workers’ rights. This prohibition would exclude supervisory and managerial personnel from being considered or acting as worker representatives. The essence again is to make clear the exact and limited role that employers play in permitting workers to exercise their rights.

5. While no provisions in this standard require the establishment of a trade union, SA8000’s implementation of workers’ rights clearly and strongly seeks to:

a) protect workers’ right to all aspects of freedom of association, including their rights to organize and represent themselves in collective negotiations with management;

b) ensure that management does not intervene in any way in the nomination, election, operation, administration, or financing of workers’ representation;

c) protect against adverse activities that discriminate against worker representatives and members of worker organizations, particularly trade unions. These might include discrimination in the training or promotion of worker representatives or trade union members or their assignment to less preferred work roles or work sites.

d) ensure that management does not unreasonably refuse to bargain collectively with workers’ organizations.


1. Form, Join and Organize Trade Unions of Their Choice: Workers have the freedom to form, join and organize any trade union they choose, free of any form of interference from employers or competing organizations 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 exercise of these rights must be free of employer interference or interference arising from employer support of organizations which compete with freely elected trade unions, including when the intent is employer control of the organization. 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, ILO Convention 98, Article 2, prohibits, in particular, “acts which are designed to promote the establishment of workers’ organizations under the domination of employers or employers’ organizations, or to support workers’ organizations by financial or other means, with the object of placing such organizations under the control of employers or employers’ organizations.”

2. Bargain collectively: Collective bargaining is understood to be the “voluntary negotiation” between employers and organizations of workers in order to establish “the regulation of terms and conditions of employment by means of collective agreements.” Key phrases are quoted from ILO Convention 98, Article 4. The employer must demonstrate that the union or otherwise named workers’ organization which negotiates with the employer was chosen freely by the workers and meets the ILO criteria for independence. Notably, employers are expected to bargain in good faith and not engage in undue litigation to slow or stop the bargaining process.

3. Companies must effectively, objectively, and transparently communicate to workers their right to join or
form trade unions under the SA8000 standard in order to be certified to SA8000. It is the worker’s choice whether he/she joins a trade union. This employer requirement, included for the first time in the 2008 standard, is not meant to allow employers to interfere in workers' free choice when considering unionization. The employer’s duty here is to permit workers’ full exercise of their rights by informing them in an unbiased manner of their option to organize. The critical dividing line is that communications from an employer or its consultants cannot go beyond neutrality on workers’ decisions about organizing. There shall be no company retaliation against workers based upon the exercise of their choice to organize.

4. “Restricted under law” refers to situations where – on a national level – interference by the state prevents independent, collective representation of workers freely elected by their peers and/or where workers are not permitted to establish trade unions. The 2008 standard eliminates the earlier employer requirement to “facilitate parallel means.” In cases where a state does interfere, SA8000 still requires that employers, as to the actions of their companies and suppliers, have the responsibility to allow the workplace to be one where workers can fully and without fear of retaliation exercise their right to unimpeded collective representation.

5. “Not the subject of discrimination” refers to Article 1 of ILO Convention 98, which states:

a) Workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment.

b) Such protection shall apply more particularly in respect to acts calculated to:

i. make the employment of a worker subject to the condition that s/he shall not join a union or shall relinquish trade union membership;

ii. 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. This provision, new to the 2008 standard, clarifies, emphasizes and expands the protection of not only worker representatives (i.e. union leaders) but also those organizing workers and those who are union members against any type of employer discrimination and reprisals. The intention here is to protect all personnel involved with trade unions or worker organizations, in whatever capacity, from paying any price for exercising their rights of freedom of association and collective bargaining. However, the new standard, in conformance with ILO provisions, does not require that employers permit union activities during working hours unless their permission has been granted. In addition to not discriminating against these workers, employers are now also specifically barred from harassing, intimidating and retaliating against them.
SA8000® Consolidated Guidance  Freedom of Association & the Right to Collective Bargaining


The following are minimum issues that auditors should review, including: discrimination against trade union members, employer’s interference with trade union activities, and the distinct role of any (non-trade union) workers’ representatives. Auditors should adapt and/or expand it depending on the production facility and other local conditions.

1. Discrimination against Trade Union Members

a) 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 employees, dismissal is the most obvious deterrent to worker organizing and carries the most serious consequences for workers. Other measures may also constitute serious prejudice against the worker, for example, transfer, relocation, demotion, and denial of remuneration, social benefits, and/or vocational training.

b) SA8000prohibits any form of anti-union discrimination, both at the beginning and during the course of employment.

c) Auditors should be aware, however, that it may be extremely difficult to establish whether or not the trade union membership or any other worker organizing activities are the real cause for any of the punitive actions listed above. Sometimes workers suffer the same forms of discriminatory treatment even when they are not attempting to organize a trade union, but simply speak up for better conditions. When a worker alleges that he/she has been discriminated against due to his/her union involvement, organizing efforts, or other efforts to defend his or her colleagues’ rights, auditors should conduct further investigation with management and fellow workers, including review of documents and records such as performance reviews, prior disciplinary warnings, and whether or not the worker contested 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. Off-site interviews are strongly recommended for assessing employee treatment.

2. Employer’s interference in workers’ organizations

a) Article 2 of the ILO Convention 98 provides that workers’ and employers’ organizations shall enjoy adequate protection against any acts of interference by each other or each other’s agents or members in their establishment, functioning or administration. ILO Convention 87, Article 10 defines the employers’ and workers’ organizations to mean “any organization of workers or of employers for furthering and defending the interests of workers or of employers.” Nevertheless, in the vast majority of cases where employers seek to interfere with or discriminate against workers’ organizations, trade unions are at risk.

b) 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.

3. Clarifying Non-Interference:

a) Employer interference in the establishment or administration of trade unions may take various forms. In some cases, an employer may contribute to the financing of a particular trade union or workers’ organization 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. There is no exhaustive list of the acts or evidence of interference, but some common examples include:
b) In one case, a European buyer wanted to ensure ongoing compliance with SA8000 among its Asian suppliers. The buyer thought that one of the best ways to ensure workers’ rights is to bargain collectively with a freely elected trade union or workers’ organization in order to establish terms and conditions of work (that comply with SA8000), which the elected group would monitor. During one of the buyer’s pre-assessment visits, workers made it clear that they did not trust or want to join the local trade unions. The buyer asked SAI if it would be in accordance with SA8000 for management to explain to workers various options for collective representation, such as forming a workers’ organization not affiliated with a trade union.

SAI considered this undesirable because no matter how well-intentioned, this would constitute interference by the employer with workers’ organizing. Employers are responsible to educate workers on their rights, but the employer cannot go into detail about workers’ organizing options. Even the best intentioned employer will not be viewed as unbiased. If the employer were to distribute a list of options including trade unions and non-affiliated workers’ organizations, workers would, in the vast majority of countries, interpret the employer’s intention to be encouraging the non-trade union option. This likelihood is based on international trends among employers and trade unions, e.g.: 1) The existence of two executive committees within a trade union, one of which is manipulated or controlled in some way by the employer. 2) Discriminatory acts against the existing trade union such as the dismissal of its leadership and denial of the right to collective bargaining.

c) When more than one trade union or workers’ organization 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 be apprised of national laws on how dual representation structures should be handled.

4. SA8000 Worker Representative:

a) The SA8000 worker representative should not be confused with workers’ right to organize and bargain collectively. These are distinct concepts and roles. The SA8000 worker representative – described in the Management Systems section – is solely concerned with SA8000 implementation and monitoring – not workers’ collective negotiation with management.

b) The SA8000 worker representative should in no way undermine the role of the trade union in its activities, including collective bargaining. As established in SA8000:9.3, “In unionized facilities, such representation shall be undertaken by recognized trade union(s). Elsewhere, workers may elect a SA8000 worker representative from among themselves for this purpose. In no circumstances, shall the SA8000 worker representative be seen as a substitute for trade union representation.”


The following are examples of evidence that may indicate compliance with SA8000, though none is sufficient on its own. Auditors should supplement this list according to the context and what they find during actual audits.

1. Confidential worker interviews are an important means for verifying compliance with SA8000, particularly the freedom of association and collective bargaining elements. Offsite interviews are strongly recommended to ensure effective and confidential interviews. Where there is a trade union, testimony from workers should indicate that they know and/or can describe: a. the name of their trade union, b. the identity of their trade union representative(s); c. how the representatives get nominated and elected; and d. the basic content of the collective bargaining agreement with management. Where there is no apparent trade union, workers should be asked whether workers to their knowledge have discussed forming a union in the past and whether union representatives met with workers in the bargaining unit. If so, the interviewer should ascertain the union that 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.

2. Copies of agreements signed by trade union leaders of a trade union freely chosen by the workers;

3. Copies of collective bargaining agreements signed with a trade union freely chosen by the workers;

4. Testimony of workers that the trade union named in the agreement was chosen by them to represent their interests;

5. An assessment of complaints of former workers or NGO’s regarding unjust dismissal/s compared to records of dismissals over the previous two years (note: cases can often drag out in court for at least two years or longer);

6. Reports from trade union representatives in the facility about how the collective bargaining process went;

7. Testimony of trade union leaders confirming that the employer does not hinder or interfere with their organizing activities;

8. Testimony of workers that management allows use of meeting rooms for private workers’ meetings upon request;

9. Reports from trade union regional or national offices and human rights NGOs that were able to enter the facilities and talk to workers confirm fair treatment of worker organizers;

10. Workers confirmation there has been no disciplinary action taken by management against organizing activity;

11. Reports on strikes, walkouts, work stoppage, or related labour demonstrations that occurred within a two-year period, records on the means of resolution and the absence of police or military involvement.

12. In cases where free association is restricted by law:

   a) Workers describe how management communicated to them their choice of whether or not to organize and engage in collective negotiations and the role management played in their exercise of that choice (e.g. management did not influence their choice nor get involved in the nomination or election process if there was one);

   b) Minutes from meetings of worker organizations such as a worker committee.

   c) Workers can report when the last election of committee representatives took place and they can explain how it was organized.

   d) Workers testify that worker committee activities are not controlled or restricted by the management.

   e) Workers can report the frequency of worker committee meetings and/ or the names of a representative on the committee. Workers are aware of recommendations that have been made by the committee to management; and workers know what management’s response has been to these recommendations and there is evidence of management’s report or actions taken on them.

   f) Workers understand they have the choice to organize and raise their concerns collectively to management.

1. 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 any possible 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, we recommend that auditors monitor the local situation closely and keep ongoing communication with local, regional and national trade union representatives. NGOs and other concerned people and organizations can also be helpful, but they cannot fully substitute for the trade union perspective. Offsite interviews with workers are strongly recommended.

2. 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 organizations – 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.

3. If 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:

   a) the name of their union;

   b) who their union representative/s is/are;

   c) how the nominations and election of union representatives occurred; and

   d) the basic content of the collective bargaining agreement with management.

4. If strikes, walkouts, work stoppage, or any related labour conflicts occurred within a two year period 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 nonmembers, those who supported the labour dispute with the management and those who opposed. For further information, auditors may also consult other regional trade unions and/or other local sources of information such as a government labour dispute arbitration centre.

5. Considering the complex nature and crucial importance of these rights, we recommend that auditors use as many indirect and open-ended questions as possible. Auditors should also note that in asking questions, they should avoid the use of leading questions or any other behaviour, which may compromise auditors’ impartial and independent stance. See the text box below for sample questions, to which auditors should try to find answers.

6. Organizing interviews and stakeholder consultations
When auditing on SA8000 Element No. 4, Freedom of Association and the Right to Collective Bargaining, three broad areas help the auditor organize the review process: management communications, workers’ choice, and access to information.

   a) Management Communications: It is important to identify any communications problems that may exist around freedom of association and the right to collective bargaining.
i. Analyse, by specific inquiry and inspection, the extent to which the company has an open attitude towards workers’ organizing, collective bargaining and participation in improvements of working conditions:

ii. What are unionized and non-unionized workers’ perspectives on freedom of association and collective bargaining rights?

iii. 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?

iv. Do workers report any worries or fears about joining a trade union? Do they believe managers discriminate against trade union members?

v. Conduct in-depth analysis of facts related to any workers’ claims of discrimination or intimidation for organizing or other trade union activities.

b) Workers’ Choice:

i. Note carefully any company financing or technical assistance to any worker association or organization and verify if it is managed directly by the receiving organization, available to any worker organization they choose to form, and if workers understand such financing could be available to any worker organization they choose to form.

ii. Should workers organize assemblies and/or elections for particular organizations 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.

c) Access to Information:

i. Verify trade union representatives have been given the opportunity to present their organization during worker assemblies and at other times to workers and that they have access to their members during workers’ free time.

ii. Where workers live on company property, typically in guarded residences, auditors should learn how this is arranged and verify workers freedom of movement and interaction with trade union representatives.

iii. Verify that workers are effectively informed about their right to choose how and whether to organize.

7. Key questions to ask when auditing a workplace against Requirement 4 of SA8000: The list of questions is not exhaustive, nor is every question obligatory:

a) Can workers establish and join organizations of their own choosing without previous authorization?

b) Can the workers’ organizations draw up their constitutions and rules?

c) Can the workers’ organizations elect their representatives in full freedom?

d) What facilities have been afforded by the employer, in the workplace, to enable the elected representatives to carry out their functions promptly and efficiently?

e) Can the workers’ organizations arrange their administration, activities and programs without any outside interference?

f) Has any workers’ organization, in the workplace, been dissolved or suspended by administrative authority?
g) Can workers’ organizations establish and join federations and confederations, and can they in turn affiliate with international organizations of workers?

h) Can the trade union representing the workers engage in collective bargaining on behalf of the workers?

i) If the workers so choose, can the officers of the trade union federations and confederations engage in collective bargaining on behalf of the workers?

j) Has the employer placed any restrictions on the scope of negotiable issues?

k) Can workers voluntarily apply, or not apply, to join a trade union?

l) Has any worker been discriminated against in any manner whatsoever, or dismissed by reason of union membership, or participation in union activities?

m) Has the employer attempted to bring the workers' organizations under his control by financial or other means?

n) Has the employer attempted to promote the establishment of a rival workers’ organization?

o) Has there ever been a strike in the workplace?

p) If so, what were the reasons for the strike and how was it settled?

7. In assessing national laws on workers’ rights to free association and collective bargaining, auditors should consult local offices of the ILO or contact SAI headquarters.


A. Summary:

Globally and in the Central American region, Costa Rica has a strong reputation as a peaceful16 country committed to environmental conservation. The country has ratified both international conventions on human rights – the International Convention on Civil and Political Rights (ICCPR), and International Convention on Economic, Social and Cultural Rights (ICESR).17 Nevertheless, the trade union movement has filed a series of complaints against Costa Rica at the International Labour Organization (ILO) regarding the core conventions on freedom of association and collective bargaining rights (Conventions 87 and 98).18 In response to ILO recommendations, the Costa Rican government has implemented some and continues to develop additional changes to the labour justice system.

16 Costa Rica does not have a military and maintained peace during the revolutions and counter-revolutions that so significantly affected its neighboring countries during the 1980s.


This document is intended to help clarify a series of questions regarding the rights encompassed in Conventions 87 and 98 in Costa Rica in order to strengthen the implementation and verification of the SA8000 standard in the country. The purpose is to provide guidance for those employers who make the voluntary commitment to implement the SA8000 standard, in order to strengthen and continuously improve their compliance with the standard and their management systems. At the same time, the document provides a practical guide for SA8000 auditors working in the country.

SAI received a number of questions and critiques about how to verify compliance with SA8000 and other voluntary codes of conduct in the Costa Rican context; these can be summarized in three points:

- Are certain institutions or legal entities permitted under Costa Rican labour law and in current practice – e.g. permanent committees (PC), direct arrangements (DA), and solidarity associations (SC) – being promoted as a substitute to Trade Union (TU) representation and their negotiation of collective bargaining agreements (CBA)?
- How can SA8000 auditors effectively verify workers' rights to freedom of association and collective bargaining, in light of the historical context and pre-existing prejudices?
- How can employers effectively communicate to workers their respect for these rights?

In a longer version of this document, SAI provides legal and historical background on these issues in Costa Rica as a form of additional orientation for SA8000 users: employers and auditors who seek to ensure that workers are able to freely choose how to organize without interference or influence – direct or indirect – of management. SAI believes employers can ensure workers' rights to freedom of association and collective bargaining in Costa Rica, provided that management communications about workers' rights correct for historical biases that have often favoured permanent committees over trade unions.

After extensive research and investigations, SAI has identified a series of recommendations, detailed below, to improve both the auditing and implementation of SA8000 in Costa Rica. Several certified producers have already implemented some of these measures. Others are in the process of strengthening their policies and communications concerning workers' rights to organize and bargain collectively.

We note here that the implementation of the SA8000 standard is a voluntary commitment on the part of companies to hold themselves to a global standard, thus requiring the balancing of national and international perspectives. To date, all SA8000 certifications are in the agricultural sector in the production of bananas or pineapples for export. Nevertheless, this guidance could provide useful illustrations for any company seeking to adhere to the SA8000 standard requirements.

**B. SA8000 Implementation:**

Following from the above research, analysis, and historical context, some specific Guidance can be provided for SA8000 users in Costa Rica. We first address management guidance for SA8000 compliance and then auditor guidance in the same three categories.

The principles of **non-interference** and **workers' choice** are fundamental to ensuring respect for workers' rights to freedom of association and collective bargaining. Given the context in Costa Rica, employers need to consider carefully how they communicate and implement their commitment to respect these rights. The existence of these entities – SA, PC, DA – in a workplace, and any indication that employers prefer PCs as a vehicle for workers’ voice and self-representation – should be cause for additional investigations by the auditors. Although employers also cannot promote trade unions – as that too would constitute interference – employers do need to give trade unions an opportunity to present their services to workers.

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20 The list of SA8000 certified facilities is maintained on the Social Accountability Accreditation Services (SAAS) website [http://www.saasaccreditation.org/certfacilities.htm](http://www.saasaccreditation.org/certfacilities.htm)
SA8000® Consolidated Guidance  Freedom of Association & the Right to Collective Bargaining

For employers, there are three broad areas to consider: Management Communications; Workers’ Choice; and Workers’ Access to Information about various worker organizations.

**Management Communications:**
1. The company has a policy on Freedom of Association/Collective Bargaining and workers are familiar with it.
2. The employer states clearly to workers, and workers understand, that any existing permanent committee or solidarity association does not prevent workers from organizing in other ways, e.g. forming or joining a trade union.
3. Neither the company nor any company managers signal to workers that the company prefers to sign direct arrangements with the permanent committee and/or to avoid workers organizing a TU to seek a collective bargaining agreement.
4. The company is open to dialogue with trade unions, demonstrates good faith in bargaining with trade unions, and allows trade unions to inform workers about their work.
5. Neither the company, nor any managers or administrative staff, discriminates in any way nor promotes or shows any bias toward any specific type of worker organization or to workers from one organization or another.

**Workers’ Choice:**
6. Employer does not propose or initiate worker elections of PC members nor the negotiation of a direct arrangement on wages and hours.
7. Worker elections – whether for PC or TU – are independent and freely conducted by workers and for workers; worker participation in this process is voluntary.
8. The company does not provide financial assistance to any worker organization unless the workers requested such assistance and company ensures all workers understand that: 1) they can choose how to spend that financing; and 2) they can seek such financing for other worker organizations as well, without fear of reprisal or bias from management.
9. Workers understand, and communications by management confirm, that the SA is distinct from the PC and that the SA is barred by law from negotiating contract terms on behalf of workers (Worker Protection Act of 2000).

**Access to Information:**
10. All worker organizations have equal opportunities to present their organization to the workforce.
11. Trade union representatives are allowed regular and reasonably free access to farms and workers during workers’ free time.
12. Workers have as much information about trade unions as they do about permanent committees and an understanding of the differences between the two (e.g. in terms of structure, what each has to offer, etc.). This information should be made available by suitably independent outside service providers or by representatives of the organizations themselves. If representatives of one such organization are allowed access to explain their views, access should also be given for representatives of other forms of worker organizations in equal measure.

**C. SA8000 Auditing:**

Similarly, based on the research, analysis and history above, specific Guidance can be provided for SA8000 auditors in Costa Rica. As with all SA8000 requirements, auditors need to look for clear evidence of a company’s systemic compliance, and take additional auditing steps as needed given the local context. The same three areas should guide auditors’ review process as they do managers’ implementation: management communications, workers’ choice, and access to information.

Given the context, SA8000 auditors should look for positive steps taken by employers in their communications to workers to correct for any historical bias

**Management Communications:**
1. Analyse, by specific inquiry and inspection, the extent to which the company has an open attitude towards workers’ different organizing choices:
a. Are there workers in trade unions and if so, what's their perspective on Freedom of Association and Collective Bargaining rights? What are unionized and non-unionized workers’ perspectives on the extent to which the employer’s communications with and about the different organizations (TU or PC) is neutral or non-biased?

b. Are there work centres within the operation which have established trade unions and centres that have a PC? If so, how have managers behaved toward the unionized work centre?

c. Do workers report any worries or fears about joining a trade union? Do they believe managers discriminate against trade union members? It is important to identify any communications problems that may exist around these rights.

2. Conduct in-depth analysis of facts offered by workers claiming to have been discriminated against or fired for organizing or other trade union related activities.

Workers' Choice:

3. Verify that any company financing or technical assistance to the permanent committee or any other worker association or organization is: managed directly by the PC or other receiving organization; and workers understand such financing could be available to any worker organization they choose to form.

4. Analyse workers’ understanding of the differences between the employer-supported SA and the PC. This is to avoid any implicit message to workers that there is company backing for the PC. Given that companies pay into the SA fund and sometimes the same workers represent the PC and the SA, auditors will need to look for positive evidence of effective communication clarifying that the company management does not support or prefer the PC as a form of worker representation. In cases where there is significant overlap between the representatives on the PC and those elected to head the SA, auditors should conduct an additional review of the election process and the system for worker training.

Access to Information:

5. Verify trade union representatives have been given the opportunity to present their organization during worker assemblies and at other times to workers and that they have access to their members during workers’ free time. Since workers often live on company property and farms are often guarded, auditors should learn how this is arranged.

6. Verify that workers are effectively informed about their right to choose how to organize.

In order to evaluate the above issues, auditors will need to conduct extensive worker interviews and establish a working relationship with local stakeholder organizations, including the various trade unions with a presence in the sector. Note, this is explicit in SAAS Accreditation Procedure 200 - 2.11, requiring certifiers to:

“have a documented and implemented process to effectively obtain, maintain and use in audit planning and audit process information about working conditions regularly gathered from regional interested parties, NGOs, trade unions and workers.”

Auditors should engage local Costa Rican labour rights NGOs in the future to provide expert opinion during and/or more frequently in between audits. Building informational relationships with these interested parties is an ongoing responsibility, not fulfilled by simply offering meeting dates with little advance notification. This communication needs to be ongoing and built on trust – such that stakeholders perceive the auditors to be responsive – in order for this engagement to effectively support the continuous improvement of SA8000-certified facilities.

Finally, SA8000 accredited auditors are now committed and obliged to: 1) provide their contact information to interviewed workers and 2) respond directly to complaints or inquiries regarding the companies that they have certified. 21

21 SAAS Procedure 200, clauses 4.13 and 4.3

A. Context presented by a certification body to SAI: Colombian law permits minority unions; therefore, only members of the trade union that negotiates a collective bargaining agreement (CBA) with the employer are covered by that CBA.

B. First question from the CB: “At a facility with a small percentage of workers represented by a trade union and covered by a CBA, should the CB suggest the company encourage the workers to perform periodic elections of representatives to discuss labour matters with the management?”

Guidelines provided to the CB by SAI to address the question in the aforementioned context:

a. SA8000 9.3 requires that workers be informed of their role to communicate through a representative to management in matters related to SA8000. As 9.3 of the Standard indicates, "in unionized facilities, such representation shall be undertaken by recognized trade union(s)."

b. The representation of workers to management on matters related to SA8000, often termed “SA8000 Worker Representative” does not substitute a trade union and therefore does not negotiate contracts with management.

c. A facility’s trade union should be informed of the remit for the SA8000 Worker Representative – to represent all workers to management on matters related to SA8000. The minority union may choose to organize a broader committee of union members and non-union members to represent workers to management on SA8000, but this representation should include members of the trade union.

d. In non-unionized facilities, workers may elect from among themselves.

e. The company shall have no role in organizing workers, worker assemblies or worker elections and shall respect workers' organizing efforts.

f. In this case, the facility seeking SA8000 has a “minority trade union”, which, according to Colombian law, represents only its members; therefore, the collective bargaining agreement negotiated by the minority trade union covers only its members.

g. It is not the role of the SA8000 auditor to encourage worker elections of representatives, and the SA8000 auditor should refrain from suggesting that the management encourage worker elections. Such an activity by management would constitute interference in workers’ freedom of association. The SA8000 auditor should clarify the role of the SA8000 Worker Representative to the management, workers and trade union.

C. Second question from the CB: “Does the company have to apply universally the best conditions negotiated for any one or group of employees?” Guidelines provided to the CB by SAI to address the question in the aforementioned context:

a. SA8000 8.1 requires the company to respect “the right of personnel to a living wage and ensure that wages paid for a normal work week shall always meet at least legal or industry minimum standards and shall be sufficient to meet the basic needs of personnel and to provide some discretionary income.”

b. SA8000 certification requires that the company demonstrate its compliance with the Standard remuneration requirement of a living wage.

c. SA8000 auditing necessitates that the auditor calculate a living wage estimation for the facility and assess the company’s payment history – documented and corroborated through interviews – against this estimation.

d. SA8000 requirement No. 4 requires the company to respect workers’ freedom of association and right to collective bargaining; this includes the right of trade unions to negotiate on behalf of workers for remuneration and other contractual terms and conditions.

e. The auditor should evaluate the client’s salaries against his/her living wage estimation and, if the lowest salary does not meet the requirements of SA8000 8.1, the company must elaborate and demonstrate commitment to an action plan to achieve and maintain compliance with the remuneration requirements therein. Should there be the need and the company presents such an action plan, its fulfilment should be monitored in successive audits.
f. Remuneration established in the collective bargaining agreement negotiated by the minority trade union for its members shall be respected as a collective agreement between the unionized workers and management.

g. There is nothing prohibiting the company from extending the benefits established in the collective bargaining agreement with the minority union, and

h. It should be clear, and confusion on this matter should be avoided, that it is not the minority trade union’s fault if the company does not provide the same benefits to all workers.

D. Third question presented by the CB to SAI: “How can we help the majority of workers who are not protected by the CBA?” Guidelines provided to the CB by SAI to address the question in the aforementioned context:

Regarding the workers who are directly employed by the client,

a. At the client workplace, better remuneration for union members represents a clear incentive for affiliation with the trade union in order to be covered by collective bargaining agreements.

b. However, neither the auditor nor the company management should participate in organizing of workers or participate in non-union collective negotiating with workers; either activity would constitute interference in workers freedom of association and right to collective bargaining.

Regarding subcontracted workers –

c. SA8000 8.5 prohibits the company from using “labour-only contracting arrangements…to avoid fulfilling its obligations to personnel under applicable laws pertaining to labour and social security legislation and regulations.”

d. SA8000 9.9 requires the company to “make a reasonable effort to ensure that the requirements of this standard are being met by suppliers and subcontractors within their sphere of control and influence.”

e. The CB should evaluate the client’s contracting arrangement for 83% of the workforce to assess whether it assures that workers employed by the subcontractor have conditions that meet the requirements of SA8000.

III.A. International norms and National Legislation


These international norms provide everyone with the right to freedom of peaceful assembly and association, the right to form and to join trade unions for the protection of their interests, and the right to bargain collectively. 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 Organization 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 No. 87 on Freedom of Association and Protection of the Right to Organize and Convention No. 98 on the Right to Organize and Collective Bargaining, which together constitute the basic international instruments governing freedom of association.

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. As mentioned in the previous section, however, there still exist direct and indirect restrictions on the exercise of these rights in practice, even within many ratifying states. Under the Declaration of Fundamental Principles and Rights at work (adopted by the ILO in 1998), all member states of the ILO – whether or not they have ratified the conventions – are required to report on national compliance with the eight core conventions (which include C. 87 and C. 98). 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.

As stated in Convention 87, 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 organizations 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 organizations

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 by other members, including the domination of such organizations 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.
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 granting of appropriate measures 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 representatives and to encourage co-operation on all relevant matters between the elected representatives and the trade unions concerned and their representatives.”

ILO Convention No. 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’ organizations concerned.
Note on Structure:

The consolidated guidance will be uploaded to the SAI website as a webpage <www.sa-intl.org/SA8000> that will include the text of the section “About the Standard”, only a list of the titles of Standard’s main sections I, II, III & IV.1-IV.9, and hyperlinks to “SA8000® Certification”, SA8000 Accreditation (Application Package), “SA8000 for Download”, “SA8000 Translations” and “SA8000 Complaints Process”. Each section title (e.g. III. Definitions and VI.2. Forced and Compulsory Labour) will be a hyperlink to a sub-page of the SA8000 main page.

Each “element page” (e.g. SA8000: 5. Discrimination) will list its own sections and subsections, the titles of which will be hyperlinks to its own page, to avoid overly long pages and to provide the option of printing the separate sections. On the side-bar, an outline of the SA8000 “section” of the website will enable the user to navigate without having to click “back” on the browser. In this draft of the element page for Forced and Compulsory Labour, the main sections I, II and III are separated by page-breaks.

SA8000: 5. Discrimination

I. SA8000 Standard: 5. Discrimination
   I.A. SA8000: 5. Discrimination Requirements
   I.B. Definitions, SA8000: 5. Discrimination
   I.C. Intent, SA8000: 5. Discrimination
   I.D. Interpretations, SA8000: 5. Discrimination
   I.E. Implementation, SA8000: 5. Discrimination

II. Auditing Considerations, SA8000: 5. Discrimination
   II.A. Key Issues to Review, SA8000: 5. Discrimination
   II.B. Evidence of Compliance, SA8000: 5. Discrimination
   II.C. Worker Interview Strategy, SA8000: 5. Discrimination
   II.D. Auditing best practices, SA8000: 5. Discrimination
   II.E. Specific Guidance for Particular Locations, SA8000: 5. Discrimination

III. Background Information, SA8000: 5. Discrimination
   III.A. International norms
I. SA8000 Standard: 5. Discrimination

I.A. SA8000: 5. Discrimination Requirements

5.1 The company shall not engage in or support discrimination in hiring, remuneration, access to training, promotion, termination, or retirement based on race, national 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 company 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 company shall not allow any behaviour that is threatening, abusive, exploitative, or sexually coercive, including gestures, language, and physical contact, in the workplace and, where applicable, in residences and other facilities provided by the company for use by personnel.

5.4 The company shall not subject personnel to pregnancy or virginity tests under any circumstances.

I.B. Definitions, SA8000: 5. Discrimination

Discrimination refers to any distinction, exclusion, or preference which has the effect of nullifying or impairing equality of opportunity or treatment. Not all distinction, exclusion, or preference constitutes discrimination. This definition is aimed at prejudices, not job-related attributes. For instance, a merit or performance based raise or bonus is not by itself discriminatory. It would be discriminatory, however, if all or a very disproportionate percentage of all workers receiving raises or bonuses were male or from a certain religious sect or ethnicity. From the opposite perspective, in some cases and according to some national laws, positive discrimination in favour of people from certain underrepresented groups would be permitted and is considered non-discriminatory (e.g. women, indigenous people, and other minority groups who historically have not had equal opportunities).

I.C. Intent, SA8000: 5. Discrimination

1. SA8000 seeks to ensure equal and respectful treatment for all personnel in all matters. They shall be hired only on the basis of their job-related competence, attributes, or skills. They shall not be penalized or treated in any different manner due to bias. Employees shall be employed, trained, promoted, and compensated solely on the basis of their job performance. They must be free from all types of verbal, physical, and sexual harassment and other discriminatory practices.

2. Some of the categories of discrimination are included to strengthen protections for female job applicants and workers. “Family responsibilities”, usually applied to mean a woman’s children and “marital status” and usually applied to wives, are far too often used to eliminate a female job applicant from consideration or as the basis for penalizing a woman worker if, for example, she needs to return home for a sick child. Since the status of having children or being married is so commonly used solely against women, the specific inclusion of “family responsibilities” is intended to ensure an even-handed approach towards treating female and male employees without bias. Of course, men should also not suffer discrimination on the grounds of family responsibilities which they discharge, for example as a parent or caregiver.

3. As is the case for the entirety of the SA8000 Standard, for non-discrimination standards the employer 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 company 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.

5. No matter the source of discrimination nor how culturally entrenched it may be a facility cannot be SA8000 certified without strictly applying the anti-discrimination provisions of the Standard.

6. Age is not included in SA8000 clause 5.2 (although it is in clause 5.1), since there are no “tenets or practices” specific to age.

7. Any unwelcome advances of a sexual nature by an employee to a subordinate also violate SA8000.

I.D. Interpretations, SA8000: 5. Discrimination

1. 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 result in discrimination.

2. One of the anti-discrimination wage requirements is that equal pay must be given for work of equal value. Assessing compliance at any workplace requires a review of the types of work performed by the varying workers as well as a review of the company's policies and practices to ensure that equal access to all jobs by all employees 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 job categories, related qualifications, and pay scales are being communicated transparently to all workers.

3. The term “family responsibilities”, in the context of discrimination, is used to highlight the tendency of some employers to treat discriminatorily workers with dependents (children or people for whom the worker is the primary caretaker) based on a belief that such workers do not work as productively or as much as workers without dependents. An example of discrimination on the basis of family responsibilities is the case of a worker penalized for having to go home to take care of a sick child or parent.

I.D. Implementation, SA8000: 5. Discrimination

1. A company shall have a written discrimination policy that should be distributed to workers, so that they understand the company's stance on discrimination. It should include the company's anti-discrimination positions, procedures and practices. These shall cover all employment-related periods and circumstances, from hiring and training to promotions, performance assessments, benefit preferences, and firing. This policy should also be a part of the broader SA8000 policy.

2. At each stage of employment, effective non-discriminatory practices should be established. For example, when advertising job openings, only language relating to the job skills required for the position should be used, never any requests for a specific gender or age group. SA8000 permits no discrimination even where 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.

3. As to promotions, for example, a company that has only male senior managers should send up a red flag 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. Ensuring non-discrimination in selecting senior managers and workers at all levels should begin with the best practice of establishing diversity goals and plans to meet those goals in all job categories.

4. Employers should take pro-active measures to meet the requirements against discrimination. Each company should have a pro-active anti-discrimination plan. That plan can include many different types of activities, for example:
a) Gender, ethnic or caste-neutral job advertisements are just the beginning of an employer's duty to provide non-discriminating work opportunities.

b) Adding female job interviewers or those from what are considered lower castes or minority ethnicities to an interviewing team would 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.

c) Another example would be an employer's active outreach to recruit handicapped job applicants, when they meet the job qualifications.

d) 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 employer has the responsibility not to perpetuate these unspoken but nonetheless widely applied social rules.

5. Any unwelcome advance of a sexual nature by a manager to a subordinate is considered an extreme form of discrimination and violates SA8000. The common occurrence of sexual harassment-type behaviour makes it critical that the company have clear and effective policies and procedures for reporting, investigating, and disciplining offenders and that the company ensure that all workers are aware of it.

Another key part of the company’s sexual harassment practices should be its creation and monitoring of a work culture that respects women employees at all levels. As part of that activity, the company must ensure that it is offering its employees a sexually non-threatening work environment. Such an environment would be free of pornography or other sexually suggestive materials, sexual teasing, or sexual innuendos.

6. Workers shall not be subjected to pregnancy or virginity tests as a condition for employment. However, as to pregnancy issues, this prohibition recognizes that some aspects of female employees' needs require specific employer protection. The protection of expectant mothers cannot require women to submit to pregnancy testing. In all cases communication is important. If workers understand the appropriate precautions are for their own good and they are confident they will not be fired or demoted, then they’ll be more likely to inform their employer in a timely manner.

7. Some types of medical testing may not give rise to discrimination. For example, some national laws may require HIV or other medical testing for public health reasons. It is not considered discriminatory if it is required by law or if the results of such a test is necessary to protect other workers. Even in such cases, however, these results cannot be the basis for discriminating against tested workers, such as giving them less desirable duties or denying them training opportunities.

8. If a company does not have evidence of a pattern of discrimination but has women in positions at all levels except for the most senior levels, there are proactive steps the company should take. The company 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 9.1 of the standard, which states that companies should display the requirements of the SA8000 standard (See the section 9.1).

9. Maternity leave is different from other forms of leave because it is something that can apply only to women. Not to allow for maternity leave (by requiring reductions to women’s compensation during that time) would thus constitute a form of discrimination. In many countries, national law allows for maternity leave absences, deeming them compulsory and a right of the mother, and requiring the company to continue paying all or a portion of the mother’s normal compensation during that time. Employers must ensure they follow national law and benchmark their policies against industry standards or collective bargaining agreements in the sector. If a company defines production bonuses based on attendance,
maternity leave cannot be counted as an absence; thus, production bonuses based on attendance should continue for workers on maternity leave.

10. Requiring any personal tests, e.g., for HIV, would be discriminatory unless: a) it is mandated by law, or b) the information is necessary to protect other workers or clients. If mandatory by law, such testing 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.

II. Auditing Considerations, SA8000: 5. Discrimination

II.A. Key Issues to Review

The following are examples of some issues that auditors should review. This list is not exhaustive. Auditors should adapt and/or expand it and create a specific auditing strategy depending on the production facility and other local conditions. The main guiding principle for auditors is to ensure 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 company 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, sometimes even by national law. For example: it may be common practice to pay women less than men who are performing the same duties. However, this type of cultural norm violates international labour standards and SA8000.

a) Division along discriminatory lines – auditing lessons learned

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. Auditors’ experiences demonstrate, however, that ensuring non-discrimination at work while respecting discriminatory norms — whether such norms are based on religious or other traditions - is extremely difficult to verify. 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 female workers have equitable treatment and access to opportunities in all stages of employment, including hiring, remuneration, benefits, bonuses and promotions. Such cases should be particularly well documented so as to facilitate SA8000 audits.

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 employers 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: an employer’s policies or programs to counter entrenched discrimination practices in the society in which the company is operating. Three examples of positive discrimination which are actually mandated by national laws are:
i. South Africa requires positive discrimination by law in order to help black South Africans to overcome decades of harsh discrimination.

ii. The U.S., U.K. and other countries have legal guidelines that encourage employment discrimination in favour of disabled people (see point 7 below).

iii. Dozens of countries have adopted legislation to enable lactating mothers adequate time to nurse during the working day.

Reasonable adjustments based on individual needs or challenges may have to be made 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 Discrimination Norms
Auditors should always look for indicators of more than just a passive policy of non-discrimination by employers; otherwise employers may be perpetuating pre-established discriminatory norms (intentionally or unintentionally). Two examples illustrate the challenge:

i. During several audits of companies located in Eastern Europe, auditors observed that during interviews, women workers voiced concerns that men were receiving more opportunities for promotion. In one case, auditors checked the scope of responsibilities for men and women in a facility’s Purchasing Department, taking into account not only “formal” activities (dealing with papers) but also the “essence of the matter.” Men were responsible for purchasing more important materials used in production (spare parts for turbines, etc.); to do this, deeper knowledge of production specificity is considered important for the work. Women were responsible for purchasing “supporting” materials, for which knowledge of the company’s sourcing procedures and national regulations is required (but not technical knowledge of the production). As women in the department raised the problem of “discrimination,” management met with them to understand their perspective. In the department there was one case of a woman who was promoted (better job position, higher remuneration as the result of a diploma obtained) so it was also decided to foster women to be more active and to think about their development and how it could result in better job positions for them. The case of the woman who was promoted seems to indicate there was no discrimination by management, but in addition the company decided to discourage future discrimination by identifying ways they could work with women workers to improve their access to opportunities for advancement.

ii. Another example is the skill of pruning in a banana field, a skill traditionally handed down from father to son, which women have almost no chance to learn unless the employer initiates, collaborates on, or sponsors a training program for women or changes 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 company 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 both cases, gender discrimination appears to correlate with expertise levels, and women indicated during the audit interviews that they did not have adequate opportunities to gain such expertise. In such cases where discrimination is obscured by “ability”, auditors should look carefully at worker training programs and opportunities for women to gain the appropriate experience.

2. Discrimination Against Pregnant Women

Discrimination against pregnant women is a grave and prevalent form of gender discrimination. If a company requires women to be tested for pregnancy, forces them to use contraception as a condition for employment, or pressures workers to quit when their pregnancy comes to the attention of management, the company is violating SA8000. Even in situations where women are allowed to continue working until
their babies are born, they are sometimes denied their legally required postpartum benefits and/or may not be allowed to nurse after returning to work. This too is a violation of 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. Protections should be 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 hugs or touches, suggestive or lewd remarks, requests for sexual favours, and derogatory or pornographic posters, pictures or drawings as well as permitting a generally gender-harassing environment.

In order to ensure the safety and dignity of female workers, management should promote a culture of respect for women 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. A discreet, effective complaint procedure should be in place for female workers. A trusted person, such as an appointed (preferably female) counsellor, can encourage women to report incidents without fear of being dismissed or penalized.

Auditors should study national legislation and/or regional regulations concerning sexual harassment before conducting audits. Primary forms of investigation include checking records to determine whether any complaints have been lodged as well as interviewing complainants or victims of sexual harassment and peer workers. Auditors should also determine: whether the company 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

In many places, migrant workers and members of ethnic minorities or even illegal immigrants/workers are the groups most vulnerable to discrimination in terms of employment opportunities and working conditions. Immigrants and 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 a company hires migrant workers, auditors should verify that the company 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. For instance, migrant workers should 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 undocumented workers, workplaces need to consider how to ensure equitable treatment and access to opportunity when considering the employment of migrant workers.

5. 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 determining whether age discrimination exists is to review job postings and position descriptions to identify the company’s stated requirements for a particular job category. When an employer imposes age limits on candidates that they will consider for a particular position, auditors need to review if such limits have any job related justification.

6. Discrimination against Trade Unions

An employer’s discriminatory action against a worker based on his/her 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 employees, dismissal is the most obvious deterrent to worker organizing and carries the most serious consequences for workers.

Auditors should be aware that there are many subtler forms of anti-union discrimination. For instance, an employer may offer financial or other incentives to a group of workers to denounce their union membership. Or an employer 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 the ILO principles on trade union rights (See also the section on Freedom of Association and the Right to Collective Bargaining).

7. Discrimination against workers with disabilities

ILO Convention No. 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 said 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.”

Additional resources for more information and tool kits on discrimination against workers with disabilities include:

a) The ILO Code of Practice on Managing Disability in the Workplace (adopted October 2001);

b) The Global Applied Disability Research and Information Network on Employment and Training (GLADNET – www.gladnet.org); and

c) The Employers’ Forum on Disability (www.employers-forum.co.uk) recommended the following considerations as important for employers seeking to ensure fair and equal treatment of people with disabilities:

i) Potential employees with disabilities should have access to fair recruitment, assessment and selection processes;

ii) Training and development opportunities should be provided to disabled employees to the same extent as to their peers, taking account of disabled employees’ needs, ambitions and circumstances. Training should be provided to disabled employees in accessible formats; for example using large-print documents, making reasonable adjustments to rooms, etc.;

iii) Reasonable adjustments to working processes and environments to enable employees with disabilities to perform to their full ability and to the required standard;

iv) Disabled employees should have the same degree of access to company communications as other employees and companies should make reasonable adjustments to achieve this; for
example enabling wheelchair access to meeting rooms and providing documents in a suitable format for employees with visual impairment.

II.B. Evidence of Compliance, SA8000: 5. Discrimination

The following are some examples of evidence that may indicate compliance with SA8000, though none is sufficient on its own. Auditors should supplement this list according to the context and what they find during actual audits.

1. The Company has a non-discrimination policy which is communicated to all personnel. That policy should be implemented using a transparent administrative system that is documented, showing that relevant measures are used to counter discrimination.

2. All workers understand how to file a complaint or raise concerns about any management action that violates that policy.

3. Wage slips or wage records of workers indicate equal pay for work of equal value. (Auditors should look for discrepancies in pay, especially after training, seniority, and previous experience has been factored in.)

4. Testimony of workers supports documentary evidence of compliance. It may be necessary to provide interviewees with anonymity, especially in cases where recent or past complaints have been lodged against the company.

5. Testimony of trade union representatives (if applicable) supports documentary evidence of compliance.

6. Job announcements and advertisements concerning the company are posted prominently in the workplace and do not specify race, gender or other personal characteristics of potential employees. Announcements should also not be placed exclusively in single gender or ethnic group locations.

7. Records for hiring, promotion, compensation, and access to training support worker, union representative, and management testimony and other evidence of compliance. These should include advertisements for positions at the company, to ensure that such job advertisements include only the requirements that are related to the ability to perform the job. For example, specific skills are appropriate requirements, but specific age spans are not.

8. Records of applicants rejected for positions support worker, union representative, and manager testimony and other evidence of compliance.

9. The worker population includes members from the diverse social/ethnic groups that comprise the local population.

10. Workers report they are able to observe religious holidays.

11. Workers and company records confirm that pregnant and nursing women are employed and that they receive maternity (and nursing mothers’) benefits as stipulated under national or local law.

12. Does background data on the local population indicate possible discrimination; e.g. the absence of minorities?

13. Management staff diversity indicates equal opportunities for advancement.

II.C. Worker Interview Strategy, SA8000: 5. Discrimination

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 or other personal characteristics have affected and/or continue to affect their application or advancement. Offsite interviews may be especially useful in this area.

The victims of workplace gender discrimination are often women. It helps 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. Female, minority and disabled auditors are also extremely useful during management interviews; they are more likely to pick up on discriminatory attitudes than male, non-minority auditors.

During interviews with both workers and managers, auditors should be careful to put the answers in context. For example, during interviews at a company 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 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 fulfill a greater variety of jobs in the facility – thus facilitating their promotion and confirming discriminatory training and promotion.

III. Background Information, SA8000: 5. Discrimination

III.A. International norms

Among the ILO’s eight core or fundamental conventions, two are related to the workplace equality issue: Discrimination Convention 111 (1958) and Equal Remuneration Convention 100 (1951). These core conventions are considered fundamental to the rights of workers, irrespective of levels of development of individual member States.

Convention 100 aims to eliminate wage discrimination between men and women through the application of the principle of equal pay for work of equal value. Convention 111 prohibits discrimination on the basis of gender in employment and occupation.

Other international standards promoting workplace equality and women’s rights include:

1) UN Convention on the Elimination of All Forms of Discrimination against Women
2) ILO Workers with Family Responsibilities Convention 156 (1981) and Recommendation 165
3) ILO Maternity Protection Convention 183 (2000) and Recommendation 191
4) ILO Migration for Employment Convention (Revised) 97 (1949)
5) ILO Night Work (Women) Convention (Revised) 89 (1948)

As of 2012, 168 countries had ratified ILO Convention 100, and 169 countries had ratified ILO Convention 111, indicating a common international stance against discrimination in the workplace. (183 countries are members of the ILO).

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

1. Equal opportunity in employment
An increasing number of countries have outlawed 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 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. SA8000 auditors should, however, seek to verify there is no such unfair division of labour.

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 sector (Malaysia), and most countries have not yet extended the legal protection to migrant workers, part-time employees, or home workers. Moreover, only recently have some countries granted paternal leave (e.g. Australia: Workplace Agreements Act (1996), Philippines: Paternity Leave Act (1996)).

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 nursing period. In general, despite a variety of 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. Auditors should be aware that they cannot fully rely upon government regulators’ confirmation of non-discrimination. In some cases, regulators have been known to overlook non-compliance in order to enhance their country’s ability to attract foreign investment.
Note on Structure:

The consolidated guidance will be uploaded to the SAi website as a webpage <www.sa-intl.org/SA8000> that will include the text of the section “About the Standard”, only a list of the titles of Standard’s main sections I, II, III & IV.1-IV.9, and hyperlinks to “SA8000® Certification”, SA8000 Accreditation (Application Package), “SA8000 for Download”, “SA8000 Translations” and “SA8000 Complaints Process”. Each section title (e.g. III. Definitions and VI.6 Disciplinary Practices) will be a hyperlink to a sub-page of the SA8000 main page.

Each “element page” (e.g. SA8000: 6 Disciplinary Practices) will list its own sections and subsections, the titles of which will be hyperlinks to its own page, to avoid overly long pages and to provide the option of printing the separate sections. On the side-bar, an outline of the SA8000 “section” of the website will enable the user to navigate without having to click “back” on the browser. In this draft of the element page for Disciplinary Practices, the main sections I, II and III are separated by page-breaks.

SA8000: 6. Disciplinary Practices


II. Auditing Considerations, SA8000: 6. Disciplinary Practices
   II.C. Worker Interview Strategy, SA8000: 6. Disciplinary Practices

III. Background Information, SA8000: 6. Disciplinary Practices
    III.A. International norms


6.1 The company shall treat all personnel with dignity and respect. The company 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.


Mental or psychological abuse is characterized by the intentional use of power, including verbal abuse, isolation, sexual, racial or other discriminatory harassment, intimidation, threat of physical force or other prohibited abuse. Its effects can be as damaging as physical discipline. The standard’s prohibition against mental coercion is to be interpreted with equal vigour.


1. It is the intent of the SA8000 Standard that job applicants and current workers should be made aware of the disciplinary policies and procedures in sufficient detail to inform them about the behaviours that are subject to discipline or poor performance evaluations. Employers must have written and defined disciplinary rules, including an appeal process for workers not agreeing with employers’ disciplinary charges or negative performance reviews.

2. It is also intended that all employer actions—from giving employee performance reviews to imposing disciplinary measures—should demonstrate respect for workers’ mental, emotional and physical well-being. These actions should be applied consistently, and not arbitrarily, to every employee, without any discrimination.

3. The phrase “not tolerate” after “shall not engage in” abusive practices clarifies that companies are prohibited from using employment agencies or suppliers that engage in disciplinary practices that are unacceptable in the SA8000 standard. Under SA8000, an employer is responsible for all workers on site, regardless of who is the direct wage payer or supervisor.

4. Disciplinary fines are permitted in SA8000:2008 only when both of these conditions exist: national law allows them, and there is a collective bargaining agreement in place. If either of these conditions does not exist, a company cannot use disciplinary fines nor have a disciplinary fines policy.


1. When disciplinary action is to be applied, SA8000 encourages a progressive course of action, beginning with verbal or written warnings before more serious disciplinary action is taken.

2. Documentation, such as records of employees’ non-complying behaviours, logs of disciplinary occurrences, lists of current cases, and appeals and decisions, as well as worker training information, should be maintained. This documentation, required in the management systems section of the standard, is particularly relevant for companies to demonstrate the nature of their disciplinary practices.

3. Non-permitted disciplinary actions such as corporal punishment, mental or physical coercion and verbal abuse are widely practiced and in many cultures widely accepted. Such cultural acceptance does not alter the prohibition of these actions by, in some cases, national law and in all cases by SA8000.

1. SA8000 recognizes that disciplinary measures are necessary for maintaining 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 organizations to promote a high standard of employee conduct and performance, not to punish, humiliate, or intimidate.

2. SA8000 requires that employers adopt a progressive course of action if discipline is necessary. Following are some basic principles on this issue. They do not constitute an exhaustive list of components of progressive disciplinary procedures, but employers may find them useful when setting up disciplinary procedures that can meet the intent of SA8000.

3. Setting up Procedures

a) Disciplinary procedures are part of the management systems required by SA8000. In drafting the procedures, management is encouraged to seek the involvement of workers and/or their representatives. This may reduce the chance that the level and type of disciplinary action will be determined arbitrarily, and it may enhance the effectiveness of disciplinary measures in achieving company goals.

b) Company policy and procedures should be well communicated to and thoroughly understood by all workers. Training programs can be conducted upon hiring or during employment. These policies and procedures could also be included in a personnel handbook and be circulated among all employees.

c) All disciplinary policies, procedures, and actions should be well documented, including the nature and specifics of any alleged infraction, the worker’s response or appeals, any opinion of trade union representatives, the final decision, and the action taken, etc. Workers and their trade union representatives should have access to such documentation and related materials (see also SA8000 Management Systems criteria for external communication).

4. Alternative Disciplinary Actions

a) SA8000 calls for alternative methods that fully respect employees’ basic rights and dignity. Following are examples of alternative methods employing a progressive course of action:

b) In the case of minor infractions, managers could use an oral warning to put the employee on notice that his/her conduct or level of performance is unacceptable.

c) If the unsatisfactory performance or conduct continues or becomes more serious, managers should 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 employee fails to comply with the request. If the worker fails to improve, the manager may issue a final written warning, which may indicate the continued misconduct or poor performance by an employee and may point out the possibility of suspension or even dismissal.

d) As a last resort, a manager may suspend, demote, or dismiss a worker. The worker, however, should be given reasonable prior notice and the opportunity to appeal the decision before such action is taken.

5. Workers’ Rights in Disciplinary Process: When disciplinary action is taken, 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. Disciplinary measures, if required, should be applied consistently and fairly among all personnel.
Personal characteristics, such as race, national origin, religion, etc. should not affect the results of the investigation of misconduct or the severity of any potential penalty.

6. Disciplinary procedures are a management tool to deter misconduct or poor performance by employees. To guarantee the fairness and effectiveness of these procedures, the company should set up complaint or grievance procedures so that workers will have the channels to express their concerns and seek redress of their grievances (see also SA8000 Management System criteria on corrective actions).
II. Auditing Considerations, SA8000: 6. Disciplinary Practices

The following are examples of some issues that auditors should review, including Discipline versus Abuse, Fines and Wage Deductions, and Alternative Disciplinary Measures. This list is not exhaustive. Auditors should adapt and/or expand it and create a specific auditing strategy depending on the production facility and other local conditions.

1. Discipline versus Abuse

   a) All organizations, from government agencies to family businesses, need certain disciplinary measures to maintain orderly and effective operations. In many workplaces around the world, however, disciplinary measures tend to take the form of harsh punishment and abusive behaviour.

   b) In many manufacturing facilities, for example, corporal punishment, mental or physical coercion, and verbal abuse are still widely used. There are documented cases of workers being hit over the head by their supervisors, having their mouths taped for talking, being forced to stand in the sun or kneel with hands in the air for extended periods, and female workers being strip-searched in theft investigations.

   c) Even though some cultures may tend to tolerate harsh disciplinary action, the practices mentioned above may still violate those countries’ national laws and are considered improper discipline under SA8000.

2. Mental (Psychological) Abuse

   a) 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 employees. As with physical abuse, mental abuse can result in harm to employees’ physical, mental, moral or social well-being, which in turn can reduce productivity.

3. Fines and Wage Deductions

   a) Although not stated in SA8000 clause 6.1, SA8000 does not allow fines or deductions for disciplinary purposes. SA8000 clause 8.2 states: “The company shall ensure that deductions from wages are not made for disciplinary purposes…”

   b) Fines and/or wage deductions are a widespread but unacceptable method for disciplining the workforce. Many employers habitually rely on such measures to deter or punish lateness, absenteeism, failure to complete quotas, operational mistakes, and even bathroom breaks that are longer than allowed.

   c) Though employers may choose to give bonuses to employees for outstanding performance, it is not appropriate for them to impose fines and wage deductions to prevent negligence or mistakes. Because wages are remuneration for the employees’ normal service, once a worker provides the service, the employer has a contractual obligation to pay for it. Therefore wage deductions for disciplinary purposes 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.

The following are some examples of evidence that may substantiate compliance with SA8000. This list does not cover all possible situations. Auditors must develop their own list depending on the context and what they find during actual audits.

1. A procedures log which details any violations of the discipline policy and is up-to-date on cases requiring action.
2. Records support the existence of appeal procedures in cases where disciplinary measures have been questioned by employees.

3. Workers, unions, and local NGOs are familiar with the company’s disciplinary policies and procedures and feel able to register appeals without any negative repercussions.

4. Workers know their rights vis-à-vis management and the procedures for filing complaints.

5. Training and/or written information is offered to all employees regarding disciplinary policies and procedures.

6. Workers’ testimony supports the evidence that no physical or mental abuse occurs and no security personnel are involved in implementing disciplinary decisions.

7. Disciplinary actions against employees are well documented.

8. Disciplinary actions comply with national laws and related regulations.

II.C. Worker Interview Strategy, SA8000: 6. Disciplinary Practices

1. 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 facility being audited.

2. 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 punishment due to their participation in the audit, while encouraging them to share their knowledge and genuine feelings about the work environment.

3. To win workers’ trust, it may be helpful for the auditor to collaborate with local organizations that have previously established a rapport with the workers. For instance, certification bodies may invite local organizations to join the auditing team to conduct interviews with workers.

4. 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, whether workers feel comfortable raising grievances, etc. Questions should be asked in a way that will make the workers feel relaxed. For instance, some workers, particularly female workers, may find it hard 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.
III. Background Information, SA8000:  6. Disciplinary Practices

III.A. International norms and National Laws

1. 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.

2. 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.
Note on Structure:

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Each “element page” (e.g. SA8000: 7. Working Hours) will list its own sections and subsections, the titles of which will be hyperlinks to its own page, to avoid overly long pages and to provide the option of printing the separate sections. On the side-bar, an outline of the SA8000 “section” of the website will enable the user to navigate without having to click “back” on the browser. In this draft of the element page for Child Labour, the main sections I, II and III are separated by page-breaks.

SA8000: 1. Working Hours

I. SA8000 Standard: 7. Working Hours
   I.A. SA8000: 7. Working Hours Requirements
   I.B. Definitions, SA8000: 7. Working Hours
   I.C. Intent, SA8000: 7. Working Hours
   I.D. Interpretations and Implementation, SA8000: 7. Working Hours

II. Auditing Considerations, SA8000: 7. Working Hours
   II.A. Key Issues to Review, SA8000: 7. Working Hours
   II.B. Evidence of Compliance, SA8000: 7. Working Hours
   II.C. Worker Interview Strategy, SA8000: 7. Working Hours
   II.D. Specific Guidance for Particular Locations, SA8000: 7. Working Hours

III. Background Information, SA8000: 7. Working Hours
   III.A. International norms and National Legislation
I. SA8000 Standard: 7. Working Hours

I.A. SA8000: 7. Working Hours Requirements

7.1 The company shall comply with applicable laws and industry standards on working hours 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, nor 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 company is party to a collective bargaining agreement freely negotiated with worker organisations (see definitions in the SA8000 Standard) representing a significant portion of its workforce, the company may require such overtime work in accordance with such agreements. Any such agreement must comply with the requirements above.

I.B. Definitions, SA8000: 7. Working Hours

1. The “normal workweek” is a maximum of 48 hours, or any number of fewer normal maximum weekly hours that are set either by national or local law or a collective bargaining agreement.

2. “Voluntary overtime”: Overtime must be voluntary (unless clause 7.4 is invoked) and thus incentivized through the payment of a premium rate of compensation, which is a requirement of SA8000 Clause 8.4 on remuneration.

3. “Regular means” constantly or the majority of the time.

4. “Short –term business demands” mean those rare circumstances when planning and the paying of a premium rate do not attract sufficient voluntary overtime workers.

5. “Worker organization” means a voluntary association of workers organized on a continuing basis for the purpose of maintaining and improving their terms of employment and workplace conditions.

6. “Collective bargaining agreement” means a contract for labour negotiated between an employer or group of employers and one or more worker organisations, which specifies the terms and conditions of employment.

I.C. Intent, SA8000: 7. Working Hours

1. SA8000 aims to limit the widespread abuse of working hours, particularly overtime. The Standard’s rule that overtime hours must, in the vast majority of cases, be truly and demonstrably voluntary is to be interpreted strictly. The one exception to this rule is in cases where a collective bargaining agreement allows for required overtime under certain, clearly defined (in requirement 7.4) conditions. Even then however, the company should:
a) make allowances for the personal and domestic circumstances of individual employees, as much as feasible; and

b) not allow overtime to exceed 12 hours per week. Accordingly the commonly referenced “60 hours rule” maximum is the exception, not the rule, and may, when the state’s legal standard workweek is less than 48 hours, be less than 60 hours. The reason for limiting working hours is to reduce accident rates, promote better work-life balance and lessen workers’ stress-related occupational conditions.

2. Employers must comply with national laws on public holidays. It is intended that employees normally receive all public holidays off (or some equivalent in compensatory time or wages) as are set by relevant legal authorities. Under SA8000, an employer is responsible for all workers on site, regardless of who is the direct wage payer.

3. The exceptions in clauses 7.2 and 7.4 are made in order to respect the local context when national laws and freely negotiated collective bargaining agreements permit required overtime [7.4] or work time averaging [7.2]. Both exceptions must, however, be permitted by law and then also by a legitimate collective bargaining agreement.

I.D. Interpretations and Implementation, SA8000: 7. Working Hours

1. Personnel cannot work more than the hours permitted by a state’s legal standard workweek, and never more than a maximum of 48 hours during a normal workweek nor more than a maximum of 12 overtime hours, provided the latter occurs only on an irregular basis. This applies in all cases, even where national or local law or a freely negotiated collective bargaining agreement permits more work hours or additional or regular overtime. In no case can the maximum of 12 hours overtime be increased, even if personnel ostensibly agree to waive that limit.

2. Documentation of the employer’s systems to ensure that overtime is truly voluntary should include a review of all agreements on that subject between management and workers, including any agreements on the distribution and remuneration of overtime hours.

3. There is no explicit limit on the working hours permitted for any work day, but it is often set by national law, and SA8000 requires compliance with all applicable laws. The SA8000 standard places an explicit limit only on the work week (a maximum of 48 hours but less if and as required by a state’s law), with at least one day off after every six days worked and a maximum of 12 hours of voluntary overtime.

4. Regular weekly hours worked and overtime hours worked should be documented for every employee, permanent, contracted, or temporary, in order to demonstrate compliance with the standard. Under SA8000, an employer is responsible for all workers on site, regardless of who is the direct wage payer.

5. These work hour limits and overtime benefits do apply to managers who have a contract with defined working hours. Other managers having a significant role in setting their own work schedules and hours are not strictly subject to this standard. It is strongly recommended however that they be encouraged to limit their weekly work hours, with the result of anticipated productivity benefits.

6. Work time averaging corresponds to periods of short-term business demands where the work situation requires irregular hours (seasonal, etc.). In these cases personnel may not have regularly scheduled hours or their scheduled hours vary from time to time. Thus, their 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, while less in others. Work time averaging is permitted only when national law and a collective bargaining agreement allow it. 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 proscribed limits. Where this is permitted by national legislation, the weekly limits set by SA8000 still apply. Auditors can accept such averaging, provided:
a) They verify the legitimacy of the permit from the local labour bureau; and

b) Working hours do not exceed limits set by SA8000.

When averaging is used, increased focus must be applied to the legitimacy of the rights to freedom of association and collective bargaining that resulted in hours averaging authorization. Additionally, workers’ occupational safety and health must be assessed and not compromised as a result of the work hours averaging agreement.

7. The allowance of required overtime during periods of “short-term business demands” means those rare circumstances when planning and the paying of a premium rate do not attract sufficient voluntary overtime workers. These might include such unforeseeable events as a significantly impairing weather development, national disaster or exceptional demand rush. It does not, however, include such periods of foreseeable labour needs as a seasonal production rush, when worker staffing requirements are predictable. Regardless of the rule, the company should still always endeavour to make allowances for the personal and domestic circumstances of individual workers.

8. When applying the terms “freely negotiated collective bargaining agreement” (Sections 7.2(b) and 7.4) and “worker organisations” (Section 7.4), the definition and elements of a recognizable “worker organisation” becomes critical. Under ILO provisions, “worker organizations … shall have the rights to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities, and to formulate their programmes.”
II. Auditing Considerations, SA8000: 7. Working Hours

II.A. Key Issues to Review, SA8000: 7. Working Hours

The following are examples of issues for auditors to review: voluntary overtime, piecework, production statistics, fatigue-related accidents, and subcontracting and homework. This list of issues is not exhaustive. Auditors should adapt and/or expand the list depending on the production facility and other local conditions. Pursuant to SAAS Procedure 200: SA8000 Methodology, overtime and homework should be addressed in every SA8000 audit report.

1. Voluntary Overtime

a) To verify the voluntary nature of overtime, auditors should review agreements between management and workers. In-depth interviews with workers are also important to verify that workers voluntarily signed the agreement. Equally important to determining the voluntary nature of overtime is a review of the system for allotting overtime. In some cases this system may be set up to penalize anyone who declines overtime hours on one or more occasions, thus, reducing the extent to which workers are actually working these hours voluntarily.

b) It is also important to ensure the system for distributing overtime is not discriminatory (see the section on Discrimination).

c) In cases where the company is party to a collective bargaining agreement freely negotiated with worker organizations (as defined by ILO Convention 87 Article 10), that agreement may allow for some overtime hours to be required by management as long as they are not required on a regular basis.

d) Auditors should investigate other related questions, including but not limited to the following:

i. Is overtime paid in accordance with local/national laws or regulations and at a premium rate?

ii. Are workers given reasonable breaks during shifts?

iii. Are workers free to leave at the end of their shift?

iv. Are vacations and personal leave allowed, in compliance with national laws and regulations?

v. Is there 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 in the future?

2. Piecework

a) As discussed in the section on Remuneration, auditors should understand the mechanisms of piecework and how it is managed in the workplace being audited. 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 unreasonably high and pay rates by piece are too low, excessive overtime may result, and it may not be voluntary.

b) Auditors should investigate whether any schemes for imposing excessive hours and underpaying workers are in place. Production quotas should be reasonable and allow the majority of workers to complete quota within eight hours. Workers cannot be obligated to work more than the regular workweek, even if they do not make quota. Auditors should distinguish between written policies on the extent to which such obligations exist and what the majority of workers believe the repercussions will be if they leave before making quota.

c) Any piecework beyond the 40-hour week (or 48-hour, depending on national laws) should be paid at a premium rate.
d) Time cards or other records should be maintained whether workers are paid by the piece or by the hour and workers should understand how their wage is calculated. Auditors should also investigate the extent to which workers may be taking piecework home, thus extending their hours beyond the allowable limit.

3. Production Review

a) It is important that auditors have a solid understanding of the manufacturing process in order to conduct capacity and production reviews, which in turn help to substantiate the company’s time records. For instance, checking time cards and the number of workers employed by the facility against production records and/or overall manufacturing capacity of the facility will help determine whether off-book overtime work, contracting, or homework are used.

b) It is advisable that certification bodies develop systematic, industry-specific criteria and procedures for evaluating production capacity in a given industry and region. When visiting the facility, auditors can review production records, monthly and daily averages and compare that to the production level on the day of the audit.

c) Auditors should seek to avoid auditing the facility on a slow production day. This may help the auditor evaluate the size of the workforce, the pace of production, and whether any work is subcontracted or completed as homework.

d) In regions where extensive overtime work is the norm, auditors should seek to ascertain how management was able to reduce working hours to be compliant. Also, because double sets of books are common, auditors should seek positive demonstration of how management was able to reduce working hours. Auditors should also inquire as to how management is able to compete with neighbouring workplaces and how workers have reacted to fewer hours of work.

4. Fatigue-related Accidents

a) The amount of time spent working is closely related to workers’ health and safety.

b) Before beginning the 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.

d) Auditors should carefully review whether medical records and accident reports are properly maintained in the factory and assess whether any accidents are fatigue-related.

e) According to a study on Chinese factories, 60 hours per week seems to be a threshold in health and safety; employees working more than 60 hours are 13% more likely to be involved in accidents than those working fewer than 60 hours per week. 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 will need to look at why this might be: is there something significantly better about the facility or is there reason to doubt the veracity of the health and safety records?

II.B. Evidence of Compliance, SA8000: 7. Working Hours

The following are some examples of evidence that may indicate compliance with SA8000. This list is not exhaustive. It does not indicate compliance automatically. Auditors should adapt or expand this list
depending on the local context and what they find during actual audits. Workers’ statements should remain confidential to help prevent potential retaliation.

1. Overtime and piecework wage records.

2. Worker testimony on voluntary overtime.

3. Company corrective action plan to address any problems with working hours. This plan is executable and verifiable.

4. The quantities of products produced 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.

5. Levels of fatigue-related accidents are not excessively high (or low) for the type of industry/activity.

6. Review of labour agreement (per SA8000 clause 7.4) defines employer-worker agreement on when or under what circumstances overtime can be required and those clauses are in compliance with national law.

II.C. Worker Interview Strategy, SA8000: 7. Working Hours

Interviews with workers enable auditors to corroborate documentation on working hours and, in particular, to ensure that overtime in the facility is voluntary, not excessive, and paid appropriately. The strategy below is for reference only. Auditors need to plan their own worker interview activities taking into account the facility’s particular work environment.

1. Regarding company policy on working hours, it is recommended that auditors conduct interviews with the first-line supervisors who directly implement and convey policy issues to workers. These are the managers who assign workers’ shifts and approve vacation time and personal leave. Auditors should then interview production workers to see whether the same message has been communicated to them.

2. It is important for auditors to learn how working time is calculated and recorded, and whether time cards are used. If time cards are used, auditors should determine whether supervisors or workers themselves punch the cards. If no time cards are used, auditors should determine what method the facility uses to keep track of time worked.

3. Even when auditors have only a limited amount of time, it is recommended that they do not raise direct questions such as "How many hours do you usually work in a week?", because auditors may only get simplified or coached answers. Auditors should draw their own conclusions based on their conversations with workers. To get a better sense of the average hours worked per day or per week, auditors may want to create a list of indirect questions. Based on the answers they receive, auditors may be able to draw an accurate picture of the working-hours situation. The following are example questions 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 do anything fun last Sunday (or whatever the typical day off is)?
f) Did you go home to your family on New Year’s Eve/National Holiday?

4. If auditors find indications that workers might be working overtime hours on a regular basis, they should probe for specific reasons such as “I need the money” and/or “I need to get all my work done in time.” Depending on the answers, questioning should follow to discover if overtime is voluntary and if premium wages are paid for overtime.

5. It is important to determine if the workers are permitted to leave after a regular shift or if there is pressure to continue working. Talking to line managers about filling orders and making production quotas can also help indicate whether or not workers are able to refuse overtime.

6. Before and during the interview, auditors should also be cognizant of the differences in workload and demand between the peak season and the slow season. When the interview is conducted in the slow season, auditors need to consider and ask questions about how the situation differs during the peak season. If the audit is during the slow season, auditors should seek to conduct a surveillance audit or unannounced spot check during the peak season.

7. When conducting worker interviews, it is advised that auditing teams seek technical assistance and/or direct involvement from local trade unions, NGO groups, academics, and other stakeholders.

II. D. Specific Guidance for Particular Locations, SA8000: 7. Working Hours

1. Auditing Working Hours in China

a) Context

i. Many agree that excessive overtime work constitutes one of the most prevalent and serious labour problems in Chinese factories. It is a common belief that migrant workers in China’s SEZs (Special Economic Zones) are eager to work extra hours. This theory holds that migrant workers, who come from remote villages and are not able to settle in the SEZs permanently, are so eager to send more money home, that if the factory in which they work does not offer them overtime, they will seek a second job to supplement their pay or simply quit and relocate to a new factory.

ii. It could be countered, however, that workers choose to work overtime because their salary is so low that they cannot make a living on their regular workweek pay. In addition, rush orders from buyers usually leave workers with little choice but to comply with overtime demands. Some business and NGO groups in China believe that if provided with other choices, such as after-work training programs, workers would be less eager to work overtime.

iii. Several businesses in China have reported positive gains after implementing SA8000; reduced working hours led to significantly lower staff turnover rates, thus training and recruiting costs for new staff declined. Other benefits they found included improved product quality and better worker-management relations.

b) Chinese Labour Law on Working Hours

i. In fact Chinese national labour law contains stringent provisions governing working hours, and establishes 8 hours per day and 40 hours per week as the ‘Standard Number of Working Hours’. Overtime is permitted only under “exceptional circumstances”, and the maximum overtime hours allowed are 3 hours per day and 36 hours per month. The law also forbids overtime work that might affect workers’ health. Employers are required to consult trade union or workers’ representatives and seek their agreement prior to any overtime arrangements.
ii. There is, however, another category of working hour regulation, ‘Comprehensive Working Hours’. Under this regulation, employers can seek permission from the local labour bureau to exceed Chinese labour law limits of 36 hours overtime per month, provided the monthly average of overtime during a six-month period does not exceed 36 hours. Auditors can accept such averaging as complying with SA8000, provided the following conditions exist:

a. They verify the legitimacy of the permit from the local labour bureau. The issuing authority is critical, as only labour bureaus/departments are legally entitled to issue exemptions according to a national regulation. Therefore, exemptions from any other department are not valid or legal.

b. Working hours do not exceed limits set by SA8000. Local exemptions that permit excessive hours beyond those permitted by SA8000 do not comply with SA8000. Section III of SA8000: Normative Elements requests that: "when national and other applicable law, other requirements to which the company subscribes, and this standard address the same issue, that provision which is most stringent applies."

c) Time-Bound Corrective Action Requests to support improvements in management of working hours

i. Minor corrective action requests have a time limit of six months. The guidelines presented in the chart below communicate a strategy for the CB to use time-bound corrective action requests (CARs) as a lever to encourage companies to improve their management of working hours in China.

<table>
<thead>
<tr>
<th>OBSERVED SITUATION</th>
<th>AUDIT FINDING CATEGORIZATION</th>
<th>CORRECTIVE ACTION TIME PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Over 52 hours per week</td>
<td>Major Non-Conformity</td>
<td>3 Months</td>
</tr>
<tr>
<td>2 If not meeting all:</td>
<td>Minor Non-Conformity</td>
<td>12 Months Maximum IF progress at 6 months</td>
</tr>
<tr>
<td>40 hours normal week</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Max 3 hours overtime / day</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Max 36 hours overtime / month</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 day off / 7 days</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 40 hours normal week</td>
<td>Compliant</td>
<td></td>
</tr>
<tr>
<td>Max 3 hours overtime / day</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Max 36 hours overtime / month</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 day off / 7 days</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ii. The CB needs to assess the capacity of the company’s management system to improve, achieve and maintain compliance.

iii. If a CB issues a minor CAR, the company is still not compliant in six months, and the CB determines that the company made progress and is meeting the working-hours requirements, then the CB may consider a second six-month period under a minor CAR. If after a second six-month period under a minor CAR the company is not compliant with the working-hours requirements, the CB is to raise the CAR to a major. Evidence to support the CB’s determinations is always required.

iv. If a company has 60-hour work weeks and cannot improve under a major CAR, then it loses its certification.

d) Auditing working hours at facilities that use computerized tracking systems for working hours:
i. Computerized tracking systems for working hours are increasingly used along with software that enables sophisticated production of falsified records.

ii. A company using such a system also needs to show real time clock-in and real time clock-out, a list of who is on site that day, and that workers can log-in and see their working hours records.

iii. The auditor should test the system by clocking in and out, reviewing the data in the database and asking for a real time download of records for review. The data points that identify the worker, his or her identification card and the activity number should match across the worker’s login card, the clock machine, the computer screen and the print-out of records.

iv. The key is transparency; therefore, excuses offered by the company to avoid providing information are a concern. Such behaviour requires the SA8000 auditor to investigate until the company provides sufficient confidence that the information on working hours provided is consistent with reality.
III. Background Information, SA8000: 7. Working Hours

III.A. International norms and National Legislation

The International Labour Organisation has published dozens of conventions specifically addressing the issue of working hours, applying to a variety of industrial undertakings and workplaces. The general rule for working hours, as stated in SA8000, is that workers shall not work more than eight hours a day or more than 48 hours a week.

There are some conditions and/or circumstances in which it is permissible to work more than 48 hours on a regular basis. For example, the general rule mentioned above does not apply to persons holding positions of supervision.

National regulations limiting overtime are common. For example, Vietnam, China, Italy, India, Indonesia, Pakistan, Thailand, Brazil, and Mexico national laws include explicit limits on hours worked within a particular period. In Vietnam’s Labour Act of 1994, there are daily and annual overtime limits of two hours and 200 hours respectively. China’s 1995 national labour law sets a maximum for overtime at three hours per day and 36 hours per month. Indonesia, Italy and Brazil all have daily overtime limits of two hours.

Regarding the issue of voluntary overtime, the nine countries mentioned have differing specific requirements. 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.
Note on Structure:

The consolidated guidance will be uploaded to the SAI website as a webpage <www.sa-intl.org/SA8000> that will include the text of the section “About the Standard”, only a list of the titles of Standard’s main sections I, II, III & IV.1-IV.9, and hyperlinks to “SA8000® Certification”, SA8000 Accreditation (Application Package), “SA8000 for Download”, “SA8000 Translations” and “SA8000 Complaints Process”. Each section title (e.g. III. Definitions and VI.8 Remuneration) will be a hyperlink to a sub-page of the SA8000 main page.

Each “element page” (e.g. SA8000: 8 Remuneration) will list its own sections and subsections, the titles of which will be hyperlinks to its own page, to avoid overly long pages and to provide the option of printing the separate sections. On the side-bar, an outline of the SA8000 “section” of the website will enable the user to navigate without having to click “back” on the browser. In this draft of the element page for Remuneration, the main sections I, II and III are separated by page-breaks.

SA8000: 8. Remuneration

I. SA8000 Standard: 8. Remuneration
   I.A. SA8000: 8. Remuneration Requirements
   I.B. Definitions, SA8000: 8. Remuneration
   I.C. Intent, SA8000: 8. Remuneration
   I.D. Interpretations, SA8000: 8. Remuneration
   I.E. Implementation, SA8000: 8. Remuneration

II. Auditing Considerations, SA8000: 8. Remuneration
   II.A. Key Issues to Review, SA8000: 8. Remuneration
   II. B. Evidence of Compliance, SA8000: 8. Remuneration
   II. C. Worker Interview Strategy, SA8000: 8. Remuneration

III. Background Information, SA8000: 8. Remuneration
   III.A. International norms
   III. B. Case Studies
I. SA8000 Standard: 8. Remuneration

I.A. SA8000: 8. Remuneration Requirements

8.1 The company shall respect the right of personnel to a living wage and ensure that wages paid for a normal work week shall always meet at least legal or industry minimum standards and shall be sufficient to meet the basic needs of personnel and to provide some discretionary income.

8.2 The company shall ensure that deductions from wages are not made for disciplinary purposes. Exceptions to this rule apply 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.

8.3 The company shall ensure that personnel's wages and benefits composition are detailed clearly and regularly in writing for them for each pay period. The company shall also ensure that wages and benefits are rendered in full compliance with all applicable laws and that remuneration is rendered either in cash or check form, in a manner convenient to workers.

8.4 All overtime shall be reimbursed at a premium rate as defined by national law. In countries where a premium rate for overtime is not regulated by law or a collective bargaining agreement, personnel shall be compensated for overtime at a premium rate or equal to prevailing industry standards, whichever is more favourable to workers' interests.

8.5 The company shall not use labour-only contracting arrangements, consecutive short-term contracts, and/or false apprenticeship schemes to avoid fulfilling its obligations to personnel under applicable laws pertaining to labour and social security legislation and regulations.

I.B. Definitions, SA8000: 8. Remuneration

1. A "living wage" means one that enables workers, for their labour during a standard workweek, to support half the basic needs of an average-sized family, based on local prices near the workplace. (8.1)

2. "Premium rate" refers to a higher rate of pay than the regular workweek rate. (8.4)

3. "Labour-only contracting arrangements" refer to the practice of hiring workers without establishing a formal employment relationship for the purpose of avoiding payment of regular wages or the provision of legally required benefits, such as health and safety protections and statutory social security and redundancy payments. Additionally, this definition also applies to homework situations. Also see Control of Suppliers in Chapter 9, Management Systems. (8.5)

4. "False apprenticeship scheme" refers to the practice of hiring workers under apprenticeship terms, frequently in the guise of "training", without stipulating the duration of the apprenticeship and the wages under this type of contract. The apprenticeship is "false" if, through these practices or others, the chief purpose is to underpay people or to avoid legal obligations otherwise required for formal employees. It is commonly applied to child labour and young workers, who can be easily exploited by naming them "apprentices" in an "apprentice scheme" that extends far beyond any skill acquiring or practical learning period and frequently pays no wage or the lowest wage possible. (8.5)
I.C. Intent, SA8000: 8. Remuneration

1. Although the standard’s intent is the payment of a living wage, it recognizes that not all SA8000 certification applicants are able to immediately revise their wage structures. Consequently, a step-by-step approach is permitted as long as all of the following conditions are met by the time of initial certification: minimum wage laws are complied with; 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 SA8000 certified facility must reach payment of a living wage by 18–24 months into their certification cycle depending upon its size and the gap between its current wages and the living wage.

2. The premium wage overtime work provision text has been significantly changed in the 2008 version of SA8000. It now states that the premium rate is defined by national law or when unregulated by law or a collective bargaining agreement, it can be equal to the premium rate of the prevailing industry, whichever is more favourable to workers, i.e., the highest. It is intended that workers shall be paid at the most advantageous premium rate. This new language also provides the basis for establishing and paying a premium rate when neither national law nor a collective bargaining agreement states such a rate.

3. As to the prohibition against certain contract worker and apprenticeship schemes, the standard intends to prohibit many ways workers’ wages or benefits are reduced through these mechanisms and apply that prohibition to every circumstance, including homework. Labour-only contracts or apprenticeship schemes cannot be used to avoid paying regular wages and benefits. They also cannot be used to fulfil ongoing, routine tasks integral to the work of a company for any extended period of time. It is intended that those who continually fulfil those tasks must have their relationship with the company formalized as employees, with all wages and benefits due to employees. This wording 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. Under SA8000, an employer is responsible for all workers on site, regardless of who is the direct wage payer.

I.D. Interpretations, SA8000: 8. Remuneration

1. A company shall pay a living wage for a standard work week (i.e., no more than 48 hours per week or less if set at a lower level by national law), and workers shall earn that sum without working overtime. Basic needs include essential expenses such as food, clean water, clothes, shelter, transport, education and some discretionary income, as well as the workers’ costs for legally required social benefits (e.g. health care, medical insurance, unemployment insurance, retirement plan, etc.). For purposes of earning SA8000 certification, the living wage level is not simply the equivalent of or replaceable by the legal minimum wage—except in rare cases where the legal minimum wage exceeds the living wage. The minimum wage is often set at a low level by governments to increase domestic company sales of their goods and services in international trade, not to provide adequately for the basic needs of its workers.

2. Workers must be compensated for the adequate performance of their work and they must be paid in full for all work performed. Wages earned for regular hours worked (i.e. no more than 48 hours a week or lower as prescribed by law) must be sufficient to meet half the basic needs of an average-sized family, based on local prices near the workplace. It should not be necessary to work overtime to earn enough to afford the basic living requirements with some discretionary funds for the worker and his/her family.

3. When a company applies an SA8000-compliant step-by-step approach to reaching the full introduction of a living wage for all its workers, the first step begins when a company pays its workers the higher of the local minimum wage and the industry minimum standard. The next step requires that the company create a well-defined plan to reach payment of the full living wage and show progress toward that commitment. Finally, the company must pay a living wage within 18-24 months into their certification cycle, depending upon its size and the gap between its current wages and the living wage. Relatively smaller companies with relatively slight gaps between current wages and the living wage must be able to pay the living wage within 18 months into their certification cycle, whereas relatively larger companies with relatively bigger gaps between current wages and the living wage may plan to pay the living wage within 24 months into their certification cycle.
4. Deductions for disciplinary purposes are not permitted under SA8000:2008 except where both national law and a freely negotiated collective bargaining agreement allow the practice. In some states 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. See the Disciplinary Practices section for further information.

5. Deductions for the purposes of legally required taxes and social insurance are acceptable. Deductions for transportation, meals, medical assistance and lodging are also allowable, if these items are not essential for employees to carry out their work and deductions for them are chosen by the worker voluntarily. Examples of such essential items would include necessary tools or protective gear or special job-related medical exams or coverage. These are neither employee benefits nor voluntary. When an employer-offered item is in fact a true service or benefit to workers, such as meals or housing, charges for these shall not exceed the employers’ cost or shall be below market rate. Workers' wage slips, including for home or piece work, should include details on how the wage was calculated, the amount and reason for deductions and workers should clearly understand how to read wage slips and their contents. One way managers can inform workers is to explicitly state such deductions in the employment contract and on wage slips. In order to confirm understanding, workers may consent in written form on other legally permissible deductions for company-provided services such as housing, meals, child-care, or transportation fees.

6. Payment in "a manner convenient to workers” means that workers are not obligated to travel any significant distance, make an extra trip, or incur any cost to collect their pay. It also requires that payment for completed work must 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. Employers may not use promissory notes, coupons, products or merchandise. Wages may be paid in cash, by check, or by electronic funds transfer if acceptable to the worker.

7. An added element was included in the 2008 standard on detailing wage and benefits information. These details must now be 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.

8. Performance bonuses are not considered part of the base wage, which must on its own equal a living wage. The terms for earning such a bonus, however, should be in workers’ contracts and understood by them. Any bonus payment must be non-discriminatory and based upon objective criteria.

9. The premium rate of overtime pay should comply with national laws or regulations or the industry standard, whichever is higher. Where it is not defined otherwise, the rate may be defined in the company’s SA8000 policy. Only senior management personnel are exempt from this requirement; frontline management, operational and supervisory personnel are not exempt from this requirement unless this is stated by law.

10. It is intended that overtime pay benefits apply to all workers and to those managers who have a contract with defined hours. It is not required for managers who are not subject to SA8000’s working hours limits or to those who set their own work schedules and hours.

11. The prohibition against labour-only contracting arrangements applies to employers’ responsibility for the actions of independent third parties they engage, such as labour contractors. To gain SA8000 certification, employers are 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’ consecutive short-term worker contracts are not used to evade legal and SA8000-mandated obligations and benefits due to workers.
12. Short-term workers, also known as casual or temporary workers, are not always easily definable. Usually their employment terms share such common elements as a lack of a formal employer-employee relationship, none or few of the benefits and protections that are legally required for employees, termination and rehiring at the end of a contract or a contract renewal without granting seniority or job security, and a lack of union or other representation. Under SA8000, an employer is responsible for all workers on site, regardless of who is the direct wage payer. When national law does not specify the number of permissible consecutive short-term contracts that can be used, they 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 company’s use of consecutive short-term contracts would bar it from SA8000 certification.

I.E. Implementation, SA8000: 8. Remuneration

1. Remuneration principles:

a) Workers should be able to afford for themselves and their dependents a minimum living standard - including basic life necessities and social security benefits - with take-home pay earned in normal working hours (e.g. without overtime hours).

b) Care should be taken to ensure fairness and non-discrimination especially as between women and men workers.

c) Living wage estimates provide the basis for setting wage levels and benchmarks that can support a collective bargaining process, by which workers exercise a vital part of their human rights at work. Collective bargaining agreements have the added advantages that they will produce realistic outcomes and both the workers and the employer are committed to them.

d) Services provided to employees for a fee such as dormitories, food plans, and medicine shall be provided at cost price and not for a profit.

e) In order to provide a living wage the best method is for companies to base their pay systems on a normal working week, as described in SA8000 8.1. For part-time work, this may mean an hourly rate with proportionate compensation.

2. Wage systems should ensure 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 company-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. Living wage estimation:

a) As discussed in the above section, minimum wages often do not meet the basic needs of workers. Hence it is possible for a company to comply with national legislation but not with SA8000. Assessing whether or not basic needs are being met is a critical challenge.

b) Quantitative Estimation of Living Wage
For SA8000 certification, companies are responsible for maintaining a living wage estimate for the location of their facility. SA8000 accreditation procedures require the certification bodies to maintain living wage estimates for the companies that they audit. Moreover, the SA8000 auditor is responsible for reviewing the company’s estimate and verifying its compliance with SA8000 remuneration requirements, by comparing with his/her own estimate and consulting the company’s workers and stakeholders.

i. How to calculate a living wage estimate?

a. Assess workers’ expenses

b. Assess the average family size in the area

c. Analyse typical number of wage earners per family (usually this is not more than 1.6)

d. Analyse government statistics on poverty levels

e. Poverty level analysis will indicate the cost of living above the poverty line.

f. Worker's income should at least enable him/her to support him/her and two dependents above the poverty line and with some discretionary income.

ii. Considerations regarding the living wage estimate

a. An absolute formula for calculating the living wage doesn’t exist, because subjective questions are inherent in living wage determinations.

b. Living wages can be paid by using a credible methodology to estimate the adequate wage level. Credible methodologies for viable implementation use transparent and justified assumptions combined with an iterative process of stakeholder consultation. Assumptions should always be documented.

c. The basic needs wage estimate provides a benchmark that can support wage negotiations.

c) Qualitative Estimation of Living Wage
While the quantitative estimation mentioned above offers employers 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 - depending on the social system - are not always incorporated within ‘basic needs,’ although they should be. Therefore, qualitative verification is recommended as a means of verifying the appropriate application and analysis of the quantitative measures.

i. Consultation with workers
Workers and their representatives in the factory should be consulted whenever possible to understand whether workers’ wages are sufficient to meet basic needs for themselves and their dependents. 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. In order to conduct discussions more objectively, a market basket should be constructed with workers, using the quantitative analysis as a point of reference. Workers and trade union consultations may also be useful for developing an adequate corrective action plan and timetable. Where appropriate, consultation with workers and their representatives should be documented.
ii. Consultation with other stakeholders
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.

iii. Comparison with a unionized company
As one calibration technique, within a defined geographic area the wages paid at the facility should be compared to the industry mean of wages paid at unionized companies. This simple approach will 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, auditors will be able to better assess the wage situation in a given region.
II. Auditing Considerations, SA8000: 8. Remuneration
II.A. Key Issues to Review, SA8000: 8. Remuneration

Pursuant to Social Accountability Accreditation Services (SAAS) Procedure 200: SA8000 Audit Methodology, remuneration must be addressed at every audit and supporting positive evidence must be included in every Audit Report. The following examples detail six issues that auditors should review: living wage calculation, method of remuneration, piecework calculations and quotas, apprenticeship schemes, labour-only contracts and homework, and deductions and fines. This list is not exhaustive; auditors need to adapt and/or expand it depending on the production facility and other local conditions.

1. Living Wage

a) Minimum wages often do not cover the basic needs of workers. In addition, enforcement of minimum wage laws is often lax. To address this situation, the international community has made the consideration of basic needs a priority when setting a minimum wage (see section III in this chapter). Therefore, SA8000 requires that a living wage be the base level of pay within a facility.

b) Consulting with workers and/or their representatives is the best way to determine accurately the local basic needs wage. Since it may be difficult for some facilities to raise wages immediately to that level, a step-by-step approach is acceptable under SA8000 as long as the following conditions are met:

i. First, a company meets the higher of the local minimum wage or the industry minimum standard.

ii. Second, the company develops a well-defined plan for achieving the indicated living wage.

iii. Third, the company follows that plan to reach the goal of paying a living wage in 18 to 24 months, depending on the size of the facility and the extent of the gap between the target and the current wage. Progress toward the goal should be verified during semi-annual surveillance audits.

c) Auditors should review all documentation when assessing whether wages meet workers’ basic needs. Such review should include the following elements and additional elements as appropriate to local conditions:

i. The company’s method of determining the living wage should be carefully reviewed and recorded. It should include the following elements: worker’s expenses, worker’s social security deductions, average family size in area, typical number of wage earners per family, and government statistics on poverty levels.

ii. If a plan to move towards a living wage exists, 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 company to pay the living wage and whether the date at which the company 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 company and the gap between the current wages and the living wage. Relatively smaller companies with relatively slight gaps between current wages and the living wage must be able to pay the living wage close to 18 months into their certification cycle, whereas relatively larger companies with relatively bigger gaps between current wages and the living wage may plan to pay the living wage closer to 24 months into the certification cycle.

iii. Management should display a high level of 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 top management and are able to show evidence that the plan to move towards the living wage is in motion.
2. Method of Remuneration:

a) SA8000 Clause 8.2 states that payment to workers shall be made in cash or by check and in a manner convenient to workers. Employers may not use promissory notes, coupons, products, or merchandise in place of cash or checks.

b) Auditors should carefully review issues related to methods of remuneration and any deductions from workers’ pay, including the following:

i. Understood by workers

ii. Paid in a convenient manner

iii. Paid in a timely and regular fashion

iv. Accurately calculated

v. Paid in accordance with legislation, contract and collective agreement

vi. Paid in full and without unauthorised deductions

vii. Not tied to use in company-owned stores, etc.

viii. Privileged ahead of payments to creditors in the event that an employer cannot meet its financial obligations (i.e. insolvency).

c) Frequency of remuneration should comply with national laws and regulations. Wage, incentive or bonus payments made to workers should be current.

d) All workers, including those paid by piece rate, should receive wage slips with each payment. The wage slips should 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).

e) “Indirect wages” (or deductions for services) are a problematic form of remuneration that should be examined by auditors. These often take the form of services or benefits provided by the employer in place of monetary compensation and may include transport, meals, medical assistance and lodging.

i. Auditors should evaluate whether these services are in fact benefits or whether they are essential for employees to carry out their work (e.g. special equipment (protective gear or tools) which are neither employee 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 employer and thus should not be deducted from worker pay. The burden of proof is on the employer to determine whether services, tools and equipment are necessary to the performance of a task.

ii. Auditors should also evaluate whether these benefits are provided at or below market rate and whether workers have alternatives (e.g. deductions for rent on company housing 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

a) As discussed in the section on Working Hours, piecework is a complex, often arbitrary, pay system, and in many labour-intensive industries, it is increasingly popular. 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 driving up production 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 incentives are the primary cause for excessive overtime as workers try to meet unreasonable quotas to avoid penalties or merely earn the minimum wage.

b) Auditors should establish criteria to determine whether a production quota is reasonable. As a general reference, a reasonable, minimum daily quota would be achievable by all workers within an eight hour shift - allowing each worker to earn a living wage within that time. In the event that a worker is unable to attain the daily quota, then the company must provide the difference between the amount produced and the daily target. If quota and piece rate incentives are set correctly, then a significant portion of the workers will exceed quota in order to earn the extra pay.

c) Because piece rate compensation varies according to the products being produced on a given day or at a given time, calculating overtime 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 there is some 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.

d) Whether piecework or hourly rate calculations are used, employers should keep accurate records of hours worked, and overtime should be paid at a premium rate.

4. Apprenticeship Schemes

a) Apprenticeships may be misused as a way to hire workers at reduced wages and/or benefits under the guise of training. This often happens to young workers.

b) Where workers are employed in apprenticeships, there should be 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 organizations are strictly prohibited from making a profit from apprenticeship arrangements.”

c) If workers receive reduced apprentice-level pay without an apprenticeship contract, auditors should verify that this is not done beyond a reasonable period of time. One example of note occurred in the Bangladesh garment sector where workers were ‘in training’ for two to three years.

d) In cases where personnel receive 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. Labour-only Contracts and Homework

a) Contract and homework are increasingly common in labour markets worldwide. There is no universally accepted definition for “contract labour.” In many cases a worker under such an arrangement may be called a “casual worker” or “temporary worker.” There are, however, some common elements in a contract labour or homework situation:

i. No formal employment relationship is established between employers and employees;
ii. Contract labourers and homeworkers are not guaranteed benefits and protections prescribed by national legislation for permanent employees;

iii. At the completion of short-term contracts, workers are either terminated and rehired or their short-term contract is renewed (without any accrual of seniority or job security);

b) In most cases, there is no trade union or other party to represent workers' interests.

c) Labour-only contracts or homework may:

i. Deprive workers of protections under national and internationally accepted labour standards;

ii. Deny workers normal contractual rights such as overtime, sick and holiday pay;

iii. Prevent workers from maintaining continuity of employment and gaining experience for which they may be promoted;

iv. Limit workers' access to insurance and social security benefits where available;

v. Leave workers with no recourse in the event of work-related disease, accident or death.

d) In assessing whether contract labour is used to deprive workers of their rights, auditors should interview contract labourers directly, review documentation and seek to answer a series of questions:

i. 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 may not be cases of abuse and would then need to be reviewed under the control of suppliers clause in the Management System section of the Standard. In addition, 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?

ii. Do contract labour arrangements allow the employer to avoid benefits mandated by law, such as the payment of a 13th month at the end of the year, or 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 workers would have accumulated overtime?

iii. Are migrant labourers entitled to accrue benefits or the equivalent thereof? Or does their legal status prohibit such benefits as health care or housing?

6. Deductions and Fines

a) SA8000 does not allow employers impose fines or wage deductions for disciplinary purposes except in the case that they are allowed by local law and negotiated as part of a collective bargaining agreement. Workers must receive pay for work they have performed. It is common 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 “sleep at work” etc. Under the guidance for Disciplinary Practices, managers are encouraged to employ progressive disciplinary practices.

b) Managers who rely on fines for disciplinary purposes should substitute alternative means, such as verbal warnings, followed by one or more written notifications, to maintain order (see Disciplinary Practices).

c) Auditors should seek evidence that this policy is in use and that both workers and managers understand disciplinary procedures and the prohibition on fines.

d) The following are other issues related to deductions:
i. Workers should be able to demonstrate that they understand the extent to which legally required deductions, such as health care, social security, or taxes will be made from their pay.

ii. Workers should be informed through explicit statements such as a list of deductions in the employment contract and on wage slips.

iii. Workers should be able to demonstrate that they understand their options and confirm their consent on other legally permissible deductions for company-provided services such as housing, meals, child-care, or transportation fees.

iv. Minimum wages do not include in-kind payments such as meal coupons, financial aid for housing, or child care unless workers elected to pay for those services.

v. Costs for room and board charged by the factory to the worker should not exceed the costs incurred by the factory to provide such services.

vi. Workers should not be charged 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.

vii. Deductions for repayment of loans or for advance wage payments granted must not exceed a reasonable amount, and the charging of interest is at or below market rates.

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

ix. In some countries, there is an increasing tendency of companies to engage temporary workers from agencies in order to avoid the administration of benefits and social security. In such cases the auditor should assure that the agency is paying the appropriate benefits to the worker(s).

II.B. Evidence of Compliance, SA8000: 8. Remuneration

The following are some examples of evidence that may indicate compliance with SA8000. This list is not exhaustive. Auditors should adapt or expand this list depending on the local context and what they find during actual audits. Workers’ statements should remain confidential to avoid potential retaliation.

1. Wage slips, payroll records and/or time cards confirm adequate wage payments are being made in a timely fashion and clearly explained to workers

2. Worker testimony about their basic needs in comparison to their wages

3. Wage adequacy (confirmed by worker interviews, local government data, and/or local experts such as trade union representatives)

4. Employment contracts

5. Wages equal or exceed the higher of: the minimum wage, the prevailing industry wage, or wages in a comparable unionized workplace

6. Living wage calculation used by managers is documented, transparently communicates the assumptions made, is based on appropriate data resources, and is up-to-date.
II.C. Worker Interview Strategy, SA8000: 8. Remuneration

1. Since wages are inextricably linked with working hours, auditors can interview personnel on these two issues at the same time. Auditors should seek to determine two basic points:

a) Do wages paid meet half the basic needs of an average-sized family, based on local prices near the workplace?

b) Does the worker have to work overtime to earn this wage?

2. Pre-interview Data Gathering: Before conducting interviews with workers and worker representatives, auditors need to 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:

a) Regional average and/or median wage statistics

b) National and/or regional minimum wage requirements

c) Regional data on average household expenditures and food basket

d) Regional demographic data such as average family size

e) Prevailing industry wage

f) Legal information about apprenticeship (wage & term) requirements and limits

g) Legally required social benefits such as medical care, accident insurance etc.

h) Legally and/or contractually permitted wage deductions

i) Pay system and calculation methods at the facility (piece rate vs. hourly rate; base rate vs. bonus)

j) Pay schedule at the facility

3. Interviews

a) 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.

b) An auditor may start the interview by asking how much a worker was actually paid on the last payday. The auditor could 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.

c) If piece rate is used in the factory, the key question that auditors should ask is whether the worker must 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.

d) 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.
e) Asking open-ended questions in a conversational style is the best interview format to elicit workers’ genuine opinions on these issues.
III. Background Information, SA8000: 8. Remuneration

III.A. International norms

ILO’s Minimum Wage Fixing Convention 131 (1970) specifies in Article 3 (a) and (b) that the following two elements are taken into consideration in determining the minimum wage:

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 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’ interests. 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 just to earn the legal minimum wage.

III.B. Case Studies

Rosy Blue Diamond Co. Ltd. in Thailand – An Example of a Company Applying the SA8000 Living Wage Approach:

“Rosy Blue Diamond Co. Ltd. was established in Phitsanulok in 1989 as a subsidiary of Rosy Blue (NI). It operates a diamond cutting plant employing around 450 workers, manufacturing for export to Belgium. One of the concrete issues was meeting the living wage requirement. The factory needed to ensure that wages paid for a standard working week met at least legal or industry minimum standards and would always be sufficient to meet the basic needs of personnel and to provide discretionary income. According to the General Manager of the facility, Sookruthai Karintanaka, “SA8000 is a tool we use to manage human rights; this tool is for the workers. We have to comply with national law, but we go beyond it. For example, the minimum wage here in Thailand is 153 baht a day, and at the minimum, we pay 215 baht. 10% for discretionary income.” As the legislation evolves, we will continue to revise our salary policy.

Calculating a living wage required the factory to combine qualitative and quantitative analyses, and resulted in paying a wage that was higher — from 40% to 83% — than the national minimum wage of 153 baht a day. As demonstrated below, the factory developed a living wage formula specific to the factory. The final 110% expresses the addition of 10% for discretionary income.

Worker turnover is reportedly at its peak during the first four months of training. Many workers have challenges with the inherent complexity of learning the art of diamond cutting and polishing. Once you’ve become a skilled polisher, the wage difference will become substantial. There are other industries where slightly lower salary packages are offered, but for much easier work. As of the fifth month of employment, the worker turnover rate goes down. Ensuring sustainable livelihoods is directly positive for worker retention: paying the higher helps Rosy Blue retain skilled workers, which ultimately makes it a more profitable company.

This is why, as of his or her first day at work, a worker receives a daily wage of 215 baht, with performance incentives. All workers receive subsidised transportation to work (around 15 baht), lunch (around 25 baht), on-site child care, annual leave and holidays. During the first nine months, the average wage ranges from 230 baht to 245 baht. After 10 months, their salaries increase to 280 baht. The
average monthly wage is approximately 10,500 baht, which includes welfare and benefits.”

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Note on Structure:

The consolidated guidance will be uploaded to the SAI website as a webpage <www.sa-intl.org/SA8000> that will include the text of the section “About the Standard”, only a list of the titles of Standard’s main sections I, II, III & IV.1-IV.9, and hyperlinks to “SA8000® Certification”, SA8000 Accreditation (Application Package), “SA8000 for Download”, “SA8000 Translations” and “SA8000 Complaints Process”. Each section title (e.g. III. Definitions and VI.9. Management Systems) will be a hyperlink to a sub-page of the SA8000 main page.

Each “element page” (e.g. SA8000: 9. Management Systems) will list its own sections and subsections, the titles of which will be hyperlinks to its own page, to avoid overly long pages and to provide the option of printing the separate sections. On the side-bar, an outline of the SA8000 “section” of the website will enable the user to navigate without having to click “back” on the browser. In this draft of the element page for Management Systems, the main sections I, II and III are separated by page-breaks.

SA8000: 9. Management Systems

   I.D. Interpretations and Implementation, SA8000: 9. Management Systems

II. Auditing Considerations, SA8000: 9. Management Systems
   II.C. Worker Interview Strategy, SA8000: 9 Management Systems

III. Background Information, SA8000: 9. Management Systems
   III.A. International norms
   III.B. Background on the SA8000 Management System


9.1 Top management shall define in writing, in workers’ own language, the company’s policy for social accountability and labour conditions, and display this policy and the SA8000 standard in a prominent, easily viewable place on the company’s premises, to inform personnel that it has voluntarily chosen to comply with the requirements of the SA8000 standard. Such policy shall clearly include the following commitments:

a) To conform to all requirements of this standard;

b) To comply with national and other applicable laws and other requirements to which the company subscribes, and to respect the international instruments and their interpretation (as listed in Section II above);

c) To review its policy regularly in order to continually improve, taking into consideration changes in legislation, in its own code-of-conduct requirements, and any other company requirements;

d) To see that its policy is effectively documented, implemented, maintained, communicated, and made accessible in a comprehensible form to all personnel, including directors, executives, management, supervisors, and staff, whether directly employed by, contracted with, or otherwise representing the company;

e) To make its policy publicly available in an effective form and manner to interested parties, upon request.

9.2 The company shall appoint a senior management representative who, irrespective of other responsibilities, shall ensure that the requirements of this standard are met.

9.3 The company shall recognize that workplace dialogue is a key component of social accountability and ensure that all workers have the right to representation to facilitate communication with senior management in matters relating to SA8000. In unionised facilities, such representation shall be undertaken by recognized trade union(s). Elsewhere, workers may elect a SA8000 worker representative from among themselves for this purpose. In no circumstances, shall the SA8000 worker representative be seen as a substitute for trade union representation.

9.4 Top management shall periodically review the adequacy, suitability, and continuing effectiveness of the company’s policy, procedures, and performance results vis-à-vis the requirements of this standard and other requirements to which the company subscribes. Where appropriate, system amendments and improvements shall be implemented. The worker representative shall participate in this review.

9.5 The company shall ensure that the requirements of this standard are understood and implemented at all levels of the organisation. Methods shall include, but are not limited to:

a) Clear definition of all parties’ roles, responsibilities, and authority;

b) Training of new, reassigned, and/or temporary personnel upon hiring;

c) Periodic instruction, training, and awareness programs for existing personnel;

d) Continuous monitoring of activities and results to demonstrate the effectiveness of systems implemented to meet the company’s policy and the requirements of this standard.

9.6 The company is required to consult the SA8000 Guidance Document for interpretative guidance with respect to this standard.
9.7 The company shall maintain appropriate records of suppliers/subcontractors’ (and, where appropriate, sub-suppliers’) commitments to social accountability, including, but not limited to, contractual agreements and/or the written commitment of those organisations to:

a) Conform to all requirements of this standard and to require the same of sub-suppliers;

b) Participate in monitoring activities as requested by the company;

c) Identify the root cause and promptly implement corrective and preventive action to resolve any identified non-conformance to the requirements of this standard;

d) Promptly and completely inform the company of any and all relevant business relationship(s) with other suppliers/subcontractors and sub-suppliers.

9.8 The company shall establish, maintain, and document in writing appropriate procedures to evaluate and select suppliers/subcontractors (and, where appropriate, sub-suppliers) taking into account their performance and commitment to meet the requirements of this standard.

9.9 The company shall make a reasonable effort to ensure that the requirements of this standard are being met by suppliers and subcontractors within their sphere of control and influence.

9.10 In addition to the requirements of Sections 9.7 through 9.9 above, where the company receives, handles, or promotes goods and/or services from suppliers/subcontractors or sub-suppliers who are classified as home workers, the company shall take special steps to ensure that such home workers are afforded a level of protection similar to that afforded to directly employed personnel under the requirements of this standard. Such special steps shall include, but not be limited to:

a) Establishing legally binding, written purchasing contracts requiring conformance to minimum criteria in accordance with the requirements of this standard;

b) Ensuring that the requirements of the written purchasing contract are understood and implemented by home workers and all other parties involved in the purchasing contract;

c) Maintaining, on the company premises, comprehensive records detailing the identities of home workers, the quantities of goods produced, services provided, and/or hours worked by each home worker;

d) Frequent announced and unannounced monitoring activities to verify compliance with the terms of the written purchasing contract.

9.11 The company shall provide a confidential means for all personnel to report non-conformances with this standard to the company management, and the worker representative. The company shall investigate, address, and respond to the concerns of personnel and other interested parties with regard to conformance/non-conformance with the company’s policies and/or the requirements of this standard. The company shall refrain from disciplining, dismissing, or otherwise discriminating against any personnel for providing information concerning observance of the standard.

9.12 The company shall identify the root cause, promptly implement corrective and preventive action, and allocate adequate resources appropriate to the nature and severity of any identified non-conformance with the company’s policy and/or the standard.

9.13 The company shall establish and maintain procedures to communicate regularly to all interested parties data and other information regarding compliance with the requirements of this document, including, but not limited to, the results of management reviews and monitoring activities.

9.14 The company shall demonstrate its willingness to participate in dialogues with all interested
stakeholders, including, but not limited to: workers, trade unions, suppliers, subcontractors, sub-suppliers, buyers, non-governmental organisations, and local and national government officials, aimed at attaining sustainable compliance with this standard.

9.15 In the case of announced and unannounced audits of the company for the purpose of certifying its compliance with the requirements of this standard, the company shall ensure access to its premises and to reasonable information required by the auditor.

9.16 The company shall maintain appropriate records to demonstrate conformance to the requirements of this standard.


1. "Top management" refers to people at the highest management level in the company, who report to the owners or the board of directors and are accountable for the company’s compliance with the requirements of this standard.

2. "Requirements" include industry standards, voluntary codes of conduct, union contracts, applicable laws, etc.

3. The “senior management representative” is one who has decision-making authority and direct access to the top tier of the company’s management.

4. “Facilitate communication” means the worker representative serves as a way for workers to communicate to management their recommendations or complaints about SA8000 policy and implementation.

5. The “SA8000 worker representative” is a rank and file worker, not a manager or supervisor, who is elected by his or her peers and has the function of discussing matters related to SA8000 with management.


The management system requirements of SA8000 require that management develop policies for managing social and labour conditions and track performance improvements resulting from those policies.

To succeed in the implementation of social standards, a company must have a functional management system. In this regard a company must have documented proof of Standard compliance and systems to ensure continued compliance with all elements of SA8000. The burden of proving compliance is on the audited company. The intent of these management system requirements is to institutionalize and substantiate the eight SA8000 performance requirements: these requirements expect continuous improvement to be evident over time - both prior to certification and following certification. Procedures to verify and sustain implementation of the eight SA8000 elements consistently over time are the key to the system. The company’s records should substantiate that the required management system practices were implemented in the past, in order to give the auditor reasonable confidence that these same practices will be followed - and can be verified – in the future. More than requiring the submission of documents for review, SA8000 certification also requires demonstrated commitment from management, evidenced by ongoing communication and participation mechanisms.

The primary objectives of the SA8000 management system differ from other management systems that focus on production processes: The SA8000 management system is designed to protect employees’
basic rights, to improve working conditions, and to enhance worker-manager communication. The SA8000 management system therefore has several unique features. For example, to be certified, a company must take responsibility for and try to influence working conditions beyond its own facilities. Under SA8000, companies must monitor suppliers, subcontractors and sub-suppliers to ensure they also address and move toward compliance with SA8000. Two other distinguishing features of the SA8000 management system are: 1) the requirement of participation by non-management personnel to ensure that employees at all levels are served by the system and, 2) requirements that there be a system for outside communication with interested parties about the company’s performance.

It is the company’s duty to communicate its commitment to SA8000 to its employees. This means that the company’s SA8000 policies must be in writing, in employees’ personal language(s), in comprehensible form and posted in an “easily viewable place.” The intent is to ensure that employees are actually informed, in a manner they can actually understand, of their company’s SA8000 commitment and policies. It is not acceptable for a company to assume that employees have received and understood SA8000’s workplace standards through less comprehensive communications efforts.

I.D. Interpretations and Implementation, SA8000: 9. Management Systems

1. Companies must comply with local and national regulations, SA8000 requirements, and the international instruments listed in Section II of SA8000, “Normative Elements and their Interpretation”.

2. Commitment to comply should be evidenced by a functioning process in place for management to identify and review all applicable laws.

3. The company’s social accountability policy should be concise, clearly written, dated and signed by top management. In addition to a general commitment to SA8000, the social accountability policy should include specific guidelines corresponding to each of the major requirements of SA8000.

4. The company’s social accountability policy should be written in the primary language(s) used by the employees. If some employees are illiterate, the management is obligated to communicate the policy to those employees via alternative means, such as special training programs, graphics, and/or oral presentations.

5. Top management shall periodically – once every six months and more frequently if possible - review the adequacy, suitability, and continuing effectiveness of the company’s policy, procedures and performance results vis-a-vis the requirements of the SA8000 standard and other requirements to which the company subscribes. System amendments and improvements shall be implemented where appropriate.

6. To maintain the quality of the system implementation, management review should be conducted periodically, once every six months and more frequently if possible. Top management shall be involved with this process.

7. The senior management representative has decision-making authority and direct access to top management.

8. The worker representative is meant to facilitate communication between workers and management on matters, e.g. recommendations or complaints, relating to SA8000 policy and implementation.

9. As stated in SA8000, the worker representative is not, and should not be perceived as, a substitute for a trade union. The worker representative does not have legal authority to engage in collective bargaining, which is the function of recognized trade union. At companies with a trade union, the trade union chooses the SA8000 Worker Representative. At companies without a trade union, the workers should be able to choose to elect a representative and have the means to conduct this selection - on company premises and company time. The company should not be involved in, coordinating, or influencing the selection process in any way. The worker representative should be chosen by non-management personnel through
a free and independent election process.

10. Personnel at all levels, from senior management to temporary workers, should understand the requirements of the standard. Training records and other evidence of such efforts should be maintained. If appropriate, the company may invite external specialists to deliver such training programs.

11. For control of suppliers, appropriate procedures means that the rigor of evaluation is commensurate with the significance of the supplier, subcontractor or sub-supplier. It is not realistic to expect that all suppliers, subcontractors or sub-suppliers will at first be fully compliant with the SA8000 standard, especially in terms of formal policies and documentation requirements. As a first step, the company may focus on the qualifications and performance of primary suppliers and subcontractors and those where it has a significant amount of control or influence. It is important to seek evidence that those procedures are in use and showing progress over time.

12. A written commitment is only one indicator of suppliers’, subcontractors’ and sub-suppliers’ willingness to comply with the standard. The company should also have criteria and concrete measures to monitor and evaluate actual performance. (See section II. A.1. Results-Based Evidence.)

13. Monitoring activities of suppliers/subcontractors and sub-suppliers SA8000 conformance should be conducted periodically and monitoring reports should be maintained appropriately.

14. “Maintain reasonable evidence” means the documentation required for requirement 9.7 demonstrates suppliers’, subcontractors’ and sub-suppliers’ compliance, and that management is tracking that compliance through mechanisms such as audits, contractual agreements, communications, corrective action plans and follow-up to those plans.

15. Based on ILO Convention 177, SA8000 requires that home workers be afforded a similar level of protection as formal employees.

16. Identities of home workers should be documented just as other employees or suppliers are documented, including information such as: name, age, address where products are made, and contractual agreements.

17. SAI recommends unannounced monitoring visits as a highly effective tool for verifying compliance of suppliers/subcontractors and sub-suppliers; nevertheless, the company 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.

18. Addressing concerns, taking corrective action and taking actions to prevent recurrence of the root causes of grievances are important elements of the SA8000 management system. These are indispensable components of the communication mechanism between workers and management staff. The company should recognize the importance of concerns raised by employees and interested parties and establish a system for processing and investigating complaints and for reporting out on how such complaints were addressed.

19. If the company receives notice of non-conformance to the standard, either from employees or other interested parties, appropriate corrective action should be taken in a timely fashion. Remedial and corrective action should guarantee that all standard requirements are met. Priority, in terms of time and resources, should be given to areas where major violations of SA8000 requirements have occurred.

20. Management is to have a system in place to regularly communicate to its workers and other stakeholders about certification to and ongoing compliance with SA8000.

21. Communication with all interested parties about certification and ongoing compliance with SA8000 means that management makes this information available publicly. The chief purpose of external communication is to keep the SA8000 management system open and transparent to any interested party.
Management should, upon request, provide regular communication to any interested party about the results of internal management reviews and monitoring activities. By sharing relevant data and other information, management can expect feedback and suggestions that may facilitate continual compliance and improvement.

22. Contract refers to the audit contract between the company and the certification body. Purchasing contracts refer to the contracts between the company and its suppliers and subcontractors. Appropriate terms and conditions can be included in this type of contract to encourage the company’s suppliers and subcontractors to seek conformance with SA8000 requirements.

23. The purpose of maintaining records goes beyond documenting evidence of conformance to the standard requirements. More importantly, proper record maintenance helps management to evaluate and review its performance in implementing the SA8000 standard and management system and to respond competently to complaints. Record keeping does not on its own guarantee compliance. Pursuant to SAAS Procedure 200: SA8000 Audit Methodology, all issues concerning the management system, especially worker training and awareness, should be addressed during each surveillance audit.
II. Auditing Considerations, SA8000: 9. Management Systems

II.A. Key Issues to Review

The following are examples of issues that auditors should review: Results-based Evidence, Management Systems for Small- and Medium-sized Enterprises, Social Accountability Representative, Worker Training, Worker Participation, and Internal Auditing. However, this list is not exhaustive. Auditors should adapt and/or expand it depending on the production facility and other local conditions.

1. Results-based Evidence

a) The status of a company’s management systems, including control of suppliers, the progress reflected in the company’s monitoring reports on their suppliers, subcontractors and sub-suppliers should be addressed in every Audit Report.

b) Proper record-keeping is only one component of the SA8000 management system. In conducting audits, it is more important to verify that the company has taken concrete and adequate action to improve performance and guarantee continued compliance. Reasonable evidence of compliance should not be one-dimensional. Auditors should look at a variety of evidence sources and the extent to which real change is evident. Auditors should check the following core issues that can help shape their review process:

i. How are written policies on the SA8000 elements implemented?

ii. What processes does the company follow?

iii. How are these processes and procedures evaluated?

iv. How have they been improved over time?

v. Are employees aware of both the SA8000 elements and of the procedures related to implementing them?

c) Good worker and manager interviews are essential. Auditors should seek to verify that there is a consistent process in place for ensuring ongoing compliance on every issue relevant to the standard. Evidence of effective systems includes broad understanding among management and workers. But more important than workers’ and managers’ ability to explain a given process or system, evidence of change and improvement should be observable. For example:

i. If a system is in place for ensuring the health and safety of workers, then accident rates should go down or be consistently low.

ii. If a factory is complying with SA8000 working hours requirements while all of the factory’s competitors are constantly working 20 percent or 30 percent more, then auditors should ask how that factory is able to comply. What changes were made and what are the results that enable such a drastic reduction in working hours?

iii. If there have been several SA8000-related communications with suppliers, subcontractors or sub-suppliers, is there also evidence of change and compliance among them? If performance results indicate an ineffective system, auditors should dig deeper to determine if the system documented on paper is actually in use.

2. Management Systems and Small- and Medium-sized Enterprises

a) SA8000 seeks to promote systemic compliance - not a “check-list” or “inspection-day” approach. For
this reason, the management system requirements of the standard are important. If interpreted correctly, these requirements should not be disproportionately challenging to small- and medium-sized enterprises (SMEs). The fundamental elements to verify throughout a management systems review are: commitment, communications, and effectiveness. For SMEs, these elements of their SA8000 implementation system should be easier to manage than larger enterprises:

i. Commitment: a smaller management staff should enable close coordination and the involvement of a larger percentage of managers in all aspects of the SA8000 planning and implementation process.

ii. Communications: a smaller workforce should greatly facilitate communications by top management directly to workers about the company’s plans and intentions with regard to social compliance. This also makes it easier to monitor managers’ and supervisors’ performance vis-a-vis the standard.

iii. Effectiveness: Documentation of compliance can be fairly simple for SMEs. Management communications with workers can rely more on verbal means and group meetings. Auditors can also rely more on worker interviews, since they can realistically reach a larger portion of the workforce than they might in a larger workforce.

3. Social Accountability Management Representative and Worker Representative

a) SA8000 expects that there be social accountability representatives - the Management Representative and the Worker Representative

i. The SA8000 Management Representative is responsible for addressing workers’ concerns, participating in the management review, and facilitating implementation and continual improvement in carrying out the elements of SA8000. The management representative can be appointed by top management and should have the decision-making and budgetary authority to implement preventive and/or corrective actions as needed.

ii. The SA8000 Worker Representative is a worker [one of the group of non-management and non-supervisory personnel], freely elected by other non-management and non-supervisory workers, whose role is to facilitate communication between management and workers. At companies where there is a freely elected trade union or workers’ organization representing workers, the SA8000 worker representative is named by the union. At companies without a trade union, the workers should be able to choose to elect a representative and have the means to conduct this selection - on company premises and company time. However, a company can be certified even if it does not have a worker representative, but it must nonetheless demonstrate that it allows workers to elect a representative.

a. Auditors should verify, through worker interviews and other means, that management did not interfere with or manipulate the election or functioning of the worker representative.

b. Auditors should also verify that all workers at the facility are aware of the existence and role of the SA8000 worker representative. The representative should have a channel by which to receive anonymous recommendations and complaints from other workers about nonconformity with the standard. The worker representative should have the authority to facilitate communications with senior management regarding matters relating to the standard. However, SA8000 implementation is not the responsibility of the worker representative; accountability for compliance rests with top management.

c. As stated in SA8000, the worker representative is not and should not be perceived as a substitute for a trade union. The worker representative does not have legal authority to engage in collective bargaining, which is the function of a recognized trade union. The SA8000 worker representative should not be used in any way to undermine the trade union or its representatives (as per ILO Convention 98, Article 2). The SA8000 worker representative has a limited function, especially if he or she was elected as part of the company’s effort to come into compliance with SA8000. For that reason, the SA8000 worker representative does not and should not seek to fill broader representational roles, such as collective bargaining, unless that SA8000 worker representative is also the previously elected representative of a
freely elected trade union or workers’ organization. Auditors should verify that communications – including training materials, human resource manuals and other forms of communication – clearly represent the distinction between the two entities.

4. Personnel Training

a) Auditors should verify that every employee is trained in social accountability issues on a regular basis, that the frequency of training is adequate for the company’s level of employee turnover, that requirements of SA8000 are known and understood at all levels, and that clear lines of responsibility in carrying out SA8000 requirements are defined. This is particularly important among the top management who are ultimately responsible for conformance with the standard.

b) If managers are not fluent in the primary languages spoken by their workers or if workers are illiterate, the auditor should ask workers and managers separately how the training and communications required by SA8000 are carried out. In order for workers to fully understand directions and benefit from training, the company should provide all training materials in the local language(s) of those working at all levels in the company. The SA8000 standard itself should be translated into the local language(s), as should related materials for implementation, such as company policies and procedures relevant to the standard. In companies with illiterate workers, managers should provide a verbal explanation plus illustrations. In all cases, companies should maintain records that they conducted this type of training and how they did it. Auditors should interview workers to determine the effectiveness of this training.

5. Worker Participation

Workers make substantial and essential contributions to the successful implementation of the SA8000 management system; therefore, when conducting audits, auditors consider worker participation as a key indicator of compliance. Auditors can check the following to determine the level of participation by workers:

a) Have company policy and procedures been communicated to all workers?

b) Do workers have opportunities to participate in the implementation and review of SA8000 compliance?

c) Are workers’ concerns or complaints addressed?

d) Are corrective actions timely and adequate?

6. Internal Audits

Internal audits and management review are a practical means of ensuring continual improvement, and are useful tools for review of the SA8000 management system. Auditors should verify that regular and comprehensive internal audits and/or management reviews or equivalent periodic reviews take place and that senior management review and act upon the results.

7. Control of Suppliers/Subcontractors and Sub-suppliers

a) SA8000 Section 9.7 requires that the company seek a written commitment to SA8000 from its suppliers, subcontractors and sub-suppliers. Auditors should note that a written commitment is required as evidence of compliance, but is not a sufficient guarantee.

b) To better assess a company’s performance on control of suppliers/subcontractors and sub-suppliers, auditors should focus on the company’s plan of implementation, and verify that there is a system for the evaluation and selection of suppliers and subcontractors on the grounds of social accountability policies and performance. Auditors may want to investigate the following:

i. how the company selects business partners in the supply chain;
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ii. how it engages and encourages its suppliers, subcontractors and sub-suppliers to seek compliance;

iii. what training and support the company provides for staff making the selection; and

iv. how it contributes to the suppliers’, subcontractors’ or sub-suppliers’ plan to meet the intent of the standard, such as ensuring adequate lead times on orders, establishing better contractual terms in return for demonstration of (or substantial advances towards) compliance with the standard’s requirements.

c) These requirements apply equally to labour suppliers, including temporary employment agencies and home workers. In reviewing the treatment of contract labourers and home workers, auditors should investigate the intent of these arrangements. Are these contracts significant in number and regularity? Are workers hired under a series of short-term contracts? If so, does this process indicate an effort to avoid legally-mandated wages and benefits for full-time worker? Many countries, for example, require the payment of a 13th or even 14th month at the end of the year. In Latin America, for example, employers sometimes avoid long-term labour contracts in order to escape this “Aguinaldo” payment. (See the section on Remuneration).

8. Control of Homeworkers

a) In labour-intensive industries, manufacturers increasingly use homework to reduce costs and in many cases to evade legal obligations. The homework system poses a challenge to the implementation of any social compliance program. There is evidence that homeworkers, since they are not present in the company premises and therefore are not monitored by company supervisors, are at an increased risk of working excessive hours, receiving lower pay, obtaining little or no payment of legally required benefits, and having little or no safety and health protection.

b) To make sure that homeworkers comply with SA8000 requirements on working hours, auditors need a good understanding of homework by the facility. Possible ways to conduct such investigations include but are not limited to:

i. Review facility capacity and check it against production records and other capacity indicators.

ii. Check national laws for possible regulations that cover home workers. These may concern savings plans, health care, child care and policies on damaged materials or products.

iii. Conduct interviews with local trade unions and other advocates for the rights of (home) workers in order to ascertain the local employment practices with home workers.

9. Complaints and Appeals

SA8000 requirements 9.11 and 9.12 apply to company commitments to address concerns and take corrective actions. In addition to the company’s complaint system, certification bodies accredited by Social Accountability Accreditation Services (SAAS) and SAAS itself provide two additional levels where workers (or interested parties) can file complaints or share concerns about certified companies or the behaviour of individual auditors or certification bodies. Auditors should confirm that workers and other interested parties understand and have access to all three levels of the complaints and appeals process, and that workers are trained in how to utilize that access. See the SAAS Complaints and Appeals Process at http://www.saasaccreditation.org/complaints.htm for detailed description of the processes for supporting resolution of complaints related to SA8000-certified companies.


The following are examples of evidence that may indicate compliance with SA8000. This list is not
exhaustive, nor is every item obligatory. It does not indicate compliance automatically. Auditors should adapt or expand this list depending on the local context and what they find during actual audits.

1. Comprehensive commitment to all SA8000 standard requirements confirmed by top management in writing.

2. Top management reports regularly on social compliance to facility owners and/or the board of directors, and there is evidence in correspondence or meeting minutes of these discussions.

3. There is a Social Accountability Statement that defines program and policies for social accountability implementation, providing for preventive policies and programs, such that the whole of SA8000 is covered.

4. The Social Accountability Statement is published in language(s) used by employees and it is distributed to and understood by all employees.

5. Management review and monitoring reports are up-to-date, on file and available for auditor review. These reviews show progress in continual improvement and worker interviews confirm these points of progress.

6. Workers report that the Management Representative is accessible and responsive to workers’ concerns.

7. Workers are familiar with the Social Accountability Worker Representative and they can identify ways in which the Representative has facilitated communication on matters relating to the standard.

8. Workers understand the difference between the Social Accountability Worker Representative and any trade union representation

9. Top management’s statement of commitment to SA8000 is known and understood by all personnel.

10. The complaint system is publicly available for interested parties, and employees understand and effectively use the internal, confidential complaints system. There is evidence that the system is in use (e.g. managers demonstrate that complaints are resolved and resolutions reported, and workers corroborate this information).

11. The names, addresses and signed statements of commitment to implement SA8000 are on file for all primary suppliers and subcontractors, including any contract labour suppliers.

12. There is evidence that company representatives have audited or otherwise monitored supplier, subcontractor and sub-supplier operations.

13. Contract labour providers, whether onsite or not, are accessible and cooperative during an audit and can demonstrate compliance with SA8000.

14. Contract (or casual) labour and home workers are compensated and treated decently (in line with SA8000) and they do not indicate an avoidance of paying worker wages and benefits in line with SA8000.

15. Where trade unions are present, the SA8000 worker representative has been elected through the trade union procedures.

16. The company’s policies on each element of the standard are published in local language/s, and workers know where to locate additional copies of these policies.

17. The internal monitoring reports from the Social Accountability Management Representative are in agreement with those of the trade union and with those of other workers interviewed.
18. There is a system for distributing management monitoring and review reports to workers and to other interested parties, on the company’s policies and performance implementing the SA8000 standard.

19. Workers and interested parties know how to obtain these reports.

20. The company annual report references certification to SA8000 or the company has made its certification public by other means.

21. On surveillance audits, interested parties confirm knowledge that the facility was certified and are familiar with its related policies.

22. Auditors should also look for evidence that good overall management systems are in place. The following are examples:

a) General business license
b) Company social accountability policy
c) Senior management representative(s) for Social Accountability
d) Documentation of SA8000 requirements and their implementation
e) Management compliance reviews of SA8000 compliance and corresponding reports to workers
f) Procedures to recruit and monitor subcontractors/sub-suppliers/home workers
g) Cost accounting and capacity planning for the facility - indicating stability of jobs, production capacity, and ability to maintain compliance (e.g. firms with severe cash flow problems may only comply during short periods of the year)
h) Personnel records files
i) System to record hours worked by employees
j) Wage lists and pay slips
k) Production records; compared to payroll to verify accuracy of reported hours worked
l) Documentation of payments to social insurance funds
m) Employee awareness and internal as well as external communication structures for social accountability policies
n) Health and safety risk management system
o) First-Aid certificates and equipment, trained personnel
p) Documentation of health and safety trainings
q) Documentation on hazardous or toxic chemicals
r) Inspection documents for lifts and machinery
s) Accident records and remediation reports
t) Employment contract with security guards
u) Documentation of maternity leaves

II.C. Worker Interview Strategy, SA8000: 9 Management Systems

1. Auditors should interview the worker representative, any trade union members, and rank-and-file workers. These interviews will be particularly sensitive as comments may easily be seen as criticism of managers and not the system/s in place. For this reason, all worker interviews must be confidential, conducted away from management, and, where possible, include some conducted away from the workplace. Workers’ statements should remain confidential to avoid potential retaliation.

2. Interviews with workers regarding the SA8000 management system can start by determining workers’ level of awareness of the company’s specific social accountability policies/procedures and the role and responsibility of the SA8000 Worker Representative.

3. Some minimum threshold questions workers should be able to answer include:

   a) Do workers know the content of the standard and where it is posted?

   b) Do workers understand how to file a complaint?

   c) Is there a worker representative? Do most workers know who that is, how and when he/she was chosen and his/her role in the workplace? If there is not a worker representative, is it clear that this is the choice of the workers?

   i. If workers’ awareness is low, auditors may further investigate the adequacy and efficiency of management’s training and orientation programs for workers on SA8000 policies and procedures. Low awareness may also be related to high worker turnover. If there is high worker turnover, auditors should investigate root causes of such turnover by, for example, further investigating wages and working hours.

   ii. If workers’ awareness is high, auditors may move on to more complex questions regarding workers’ and/or worker representatives’ participation in implementing the SA8000 management system. Useful lines of questioning include, but are not limited to:

   a. Does the SA8000 worker representative have the opportunity to maintain effective communication with management on issues related to SA8000 that are of concern to the workers?

   b. Do workers effectively use SA8000’s confidential complaints/appeals system?

   c. Does the SA8000 worker representative regularly convey any workers’ complaints to the management?

   d. Does the SA8000 worker representative have the opportunity to participate in the internal audits and monitoring of the company’s suppliers/subcontractors and sub-suppliers?

   e. Does the SA8000 worker representative have access to all SA8000-related information and reports?

   f. Does the SA8000 worker representative have the opportunity to participate in the management review?

   g. Does the SA8000 worker representative have the opportunity to participate in the opening and closing meetings of the audit?

   h. Does the SA8000 worker representative report back to peer workers on any corrective action taken?
III. Background Information, SA8000: 9 Management Systems

III.A. International Norms and National Legislation, SA8000: 9 Management Systems

International Labour Organisation (ILO) Convention 177: Home Work is the normative basis for the SA8000 requirements on ensuring equitable treatment for home workers and other workers of the company. The standard’s inclusion of specific requirements related to home work is intended to protect home workers.

1. It is important for auditors to verify that management does not use home workers in order to evade legally mandated wage and benefit laws. To that end, the ILO adopted Convention 177 to encourage countries to develop and implement policies to protect these workers.

2. The core principles of Article 4 of ILO Convention 177 can serve as guiding principles for managers and auditors:

a) Promote, as far as possible, equality of treatment between home workers and other wage earners, taking into account the special characteristics of homework and, where appropriate, conditions applicable to the same or a similar type of work carried out in an enterprise.

b) Equality of treatment shall be promoted, in particular, in relation to:

i. the home workers’ right to establish or join organizations of their own choosing and to participate in the activities of such organizations;

ii. protection against discrimination in employment and occupation;

iii. protection in the field of occupational safety and health;

iv. remuneration;

v. statutory social security protection;

vi. access to training;

vii. minimum age for admission to employment or work; and

viii. maternity protection.

III.B. Background on the SA8000 Management System

1. A management system is comprised of the structures, procedures and resources used by an organization to achieve its objectives. It is an operating system that integrates a company’s activities in a systematic, consistent way.

2. A management system to ensure safe and decent workplace conditions is most effective when:

a) It is integral to the overall business plan (i.e. compliance cannot depend on good business cycles); and

b) The owners of the company or the board of directors are directly invested in the social as well as the financial aspects of the management system. Businesses should have board-level commitment to the social goals of the company and the board should receive regular updates on social performance just as for financial performance. SA8000 calls for commitment from top management, but top management is only as committed as the company’s owners.
and board members.

3. To adopt a comprehensive management system, a company needs to invest time and financial resources. For small- and medium-sized enterprises this investment can be formidable. However, it has been recognized that management systems bring added value, help improve operational performance, and help a company become and remain more competitive. Some perceived specific benefits include:

a) Effective management of risks associated with achieving objectives;
b) Consistent control of key processes;
c) Reduction of administrative, training and operational costs;
d) Avoidance of performance gaps and duplication of efforts;
e) Facilitation of communication by offering a common information base for personnel at all levels;
f) Facilitation of compliance with legislation and standards;
g) Institutionalization of good working practices;
h) Continual improvement.

4. There are various types of standardized management systems, including quality management systems such as the ISO 9001:2000, and environmental management systems such as the ISO 14001. SA8000 differs from these and other management systems in that the central concerns of the SA8000 system are workers' rights and working conditions. Despite the differences, all of the above-mentioned management systems have five common elements - Policy, Planning and Implementation, Performance Review and Evaluation, Corrective Action, and Communication:

a) Policy: The policy is a central element of any management system. It contains the overall goal, objectives, and, in the case of SA8000, states the company’s commitment regarding labour rights and working conditions. This may be referred to as the company’s social accountability policy.
b) Planning and Implementation: Planning and implementing specific structures, procedures and processes are crucial to carrying out a company’s policy. SA8000 requires an additional component, "control of suppliers," when planning and implementing the company’s social accountability policy.
c) Performance Review and Evaluation: Periodic performance reviews and evaluations are necessary to check that the company’s implementation processes and procedures are adequate and effective, and that they represent a suitable means to carry out the company’s policy. By reviewing and evaluating the status of each policy implemented, a company can establish a performance baseline and goals for improvement. Workers’ feedback is essential to ensure an effective and meaningful performance review.
d) Corrective Action: Corrective action is an integral component of a management system. When a company is found to be out of compliance (with legislation or voluntary standard requirements to which the company is committed), the management system provides procedures for making corrective actions, and monitoring continual improvement.
e) Communication: An effective management system should have an open system of communication. Internally, the company should guarantee, through regular training, consultation, and other means, that personnel at all levels understand and have access to information on the company’s social accountability objectives, policies, and procedures. Externally, interested parties need sufficient information to make an independent assessment to verify the company’s compliance with SA8000 and overall working conditions.
5. SA8000 integrates traditional management system elements with policy and procedures focusing on improving workplace conditions, while enhancing the relationship between employees and management. SA8000 shares some key elements with other management systems and should therefore be familiar to those using other systems. However, considering SA8000’s unique focus on workers and working conditions, the company needs to invite participation from personnel at all levels, particularly from requires the employer to consult and inform worker representatives - both the SA8000 worker representative and trade union representatives - on all aspects of SA8000.