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# SOCIAL ACCOUNTABILITY POLICY MANUAL

Issue 1 JANUARY 2005 Revision A  
STANDARD POLICY MANUAL  
FOR MANAGEMENT OF SOCIAL ACCOUNTABILITY IN A  
GENERAL MANUFACTURING BUSINESSES  
IN ACCORDANCE WITH  
SAI INTERNATIONAL STANDARD SA8000:2001

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PREPARED BY

PARTRIDGE DOCUMENTS QUALITY LIMITED  
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APPROVED BY

MANAGEMENT REPRESENTATIVE

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SA01/003	Social Accountability Laws and Conventions	
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## SOCIAL ACCOUNTABILITY POLICY

- 0.1 MISSION** *(iv)9.1*  
*(iv)9.1e*
- We are committed to the effective implementation and communication of this social accountability policy throughout the company and externally for the public interest. This will focus on the recognition of our social obligations at all management decision levels which impact on the society in which we operate, the environment on which we have an impact and the working conditions of people over which we have control or influence.
- 0.2 RESPONSIBILITY AND COMMITMENT** *(iv)9.5a*
- We acknowledge the obligation to recognise our social accountability responsibilities as a principle aspect of our corporate governance. We will communicate and promote our commitment at all levels in the company by adopting the full requirements of the International Standard SA8000:2001 against which our achievements will be assessed, measured and reported. *(iv)9.1a*
- 0.3 POLICY AND DIRECTIVES** *(iv)9.1b*  
*(iv)9.1c*  
*(iv)9.1d*
- It is the policy of our company and board of directors to comply with applicable national and international laws and conventions in respect of the society and environment on which we have an impact. We recognise in our business the obligation to support the basic rights of people who are making a contribution to our products and services. We are therefore committed to documenting, assessing and improving our practices for Social Accountability in which connection we shall:
- a) Have policies and procedures to manage issues we can control or influence; *(i)a*
  - b) Demonstrate conformity with all the requirements of SA8000:2001; *(i)b*
  - c) Comply with laws and conventions specially those which address our Social Accountability; *(ii)*
  - d) Exclude the use of child labour from our processes and the supply chain; *(iv)1.1/1.2*
  - e) Ensure that minors are properly protected and given access to education; *(iv)1.3/1.4*
  - f) Promote employment through the free will of the individual; *(iv)2.0/2.1*
  - g) Exclude from processes and the supply chain any forced or compulsory labour; *(iv)2.0/2.1*
  - h) Maintain and operate an Occupational Health and Safety programme; *(iv)3.0/1/2/3*
  - j) Provide for a good working hygienic environment and employee welfare; *(iv)3.4/5/6*
  - k) Respect the right of the individual in our employment, to form and join trade unions of their choice and to bargain collectively; *(iv)4.0/1*  
*(iv)4.2/3*
  - l) Not engage or support any form or incidents of discrimination; *(iv)5.0/1*
  - m) Allow employees to observe tenets, practices, meet recognised needs and resist any unworthy or unwelcome impositions; *(iv)5.2*  
*(iv)5.3*
  - n) Prohibit the use or support of corporal punishment, mental or physical coercion, and verbal abuse. *(iv)5.4*  
*(iv)6.0/6.1*
  - p) Comply with applicable laws and industry standards on working hours; *(iv)7.0/1/2/3*
  - q) Ensure that levels and arrangements for remuneration meet or exceed industry minimum standards. *(iv)8.0/8.1*  
*(iv)8.2/8.3*
  - r) Maintain and operate an effective management system and records for our Social Accountability policies, practices, communications as detailed in the policy manual; *(iv)9.1-9.14*
  - s) Encourage our suppliers to adopt a similar compatible policy. *(iv)9.6-9.9*
- 04 REVIEW** *(iv)9.2*
- The above directives provide the framework from which specific Social Accountability objectives will be agreed and reported to management reviews. This policy will be reviewed at a management review meeting held annually. The policy statement, directive and the specific objectives agreed, will only be changed after thorough technical and informed evaluation. *(iv)9.2*

**Executive and Chairman of the Board of Directors**

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POLICY MANUAL  
CLAUSE  
REFERENCE

## POLICY ADDENDUM

SA8000:2001  
CLAUSE  
REFERENCE

The directives contained in our policy statement and the spirit of our Social Accountability mission is interpreted as follows:

<b>Policies and Procedures</b>	These are detailed and applied in accordance with the current issue of the social accountability policy manual.	<i>Policy 03a</i>
<b>SA8000:2001 Conformity</b>	Compliance is required with both the content and spirit of the standard.	<i>Policy 03b</i>
<b>Laws and conventions</b>	All legal and statutory instruments must be complied with but we are making the listing of conventions in the standard under clause (II.) <b>Normative Elements And Their Interpretation</b> significant in our consideration.	<i>Policy 03c</i>
<b>Children and Young Workers</b>	We ensure that minors are properly protected; and as a fundamental principle, we do not employ children or support the use of child labour, except as part of government-approved youth training schemes (such as work-experience programs).	<i>Policy 03d</i> <i>Policy 03e</i>
<b>Freedom of Engagement and Free Will</b>	We require that all employees enter into employment with the company of their own free will; and not to apply any coercion when engaging employees or support any form of forced or compulsory labour.	<i>Policy 03f</i> <i>Policy 03g</i>
<b>Welfare Health and Safety</b>	We provide for employee welfare by providing hygienic provisions and a safe and healthy working environment at all sites and facilities and take adequate steps to prevent accidents and injury to health arising from a course of work or lack of hygiene, by minimising, so far as is reasonably practicable the causes of hazards or disease inherent in the working environment.	<i>Policy 03h</i> <i>Policy 03j</i>
<b>Freedom of Association Consultation and Employee Communication</b>	We respect and support the right of the individual in our employment, to form and join trade unions of their choice and to bargain collectively, or not to do so. We facilitate regular consultation with all employees to address areas of concern on matters of social accountability and develop and maintain equitable procedures to deal with employee grievances and disciplinary practices. This makes sure, in any case of major layoffs, that a social benefits and guidance plan is in place and already known to employees or their official representative.	<i>Policy 03k</i>
	We communicate effectively with all employees at whatever level or position in order to respect the right of all personnel involved in our products and services.	<i>Policy 02</i>
<b>Discrimination</b>	We ensure that representatives of personnel are not the subject of discrimination and that such representatives have access to their members in the workplace.	<i>Policy 03l</i>
<b>Human Rights</b>	We support and respect the protection of internationally proclaimed human rights and prohibit the use or support corporal punishment, mental or physical coercion, and verbal abuse. We allow employees to observe tenets, practices, meet recognised needs and resist any unworthy or unwelcome impositions.	<i>Policy 03m</i> <i>Policy 03n</i>

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**POLICY ADDENDUM**

<b>Working Arrangements and Hours</b>	We comply with applicable laws and industry standards on working hours including over-time to ensure that labour-only contracting arrangements and false apprenticeship schemes are not used to avoid fulfilling the company obligations under applicable laws pertaining to labour and social security legislation and regulations.	<i>Policy 03p</i>
<b>Wages Remuneration and Compensation</b>	We ensure that wages paid meet or exceed the legal or industry minimum standards and are always sufficient to meet basic needs of personnel and to provide some discretionary income. In addition we ensure that wage and benefits composition are detailed clearly and regularly for workers and that compensation is rendered in full compliance with all applicable laws and in a manner convenient to workers.	<i>Policy 03q</i>
<b>Impact on Society and the Community</b>	We contribute within the scope of our capabilities to improving economic, environmental and social conditions through open dialogue with stakeholders and through active participation in common efforts. We also promote and participate in community engagement activities that actively foster economic, environmental, social and educational development as part of our commitment to the communities in which we operate.	<i>Policy 01</i>
<b>Equality of opportunity</b>	We offer equality of opportunity to all employees and do not engage in or support discrimination in hiring, compensation, access to training, promotion, termination or retirement based on ethnic and national origin, religion, disability, sex, age, sexual orientation, union membership, or political affiliation.	<i>Policy 03l Policy 03m</i>
<b>Disciplinary Practices</b>	We counteract the use of mental or physical coercion, verbal abuse or corporal/hard-labour punishment and we do not accept behaviour, including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative.	<i>Policy 03l Policy 03n</i>
<b>Suppliers</b>	We establish and maintain appropriate procedures to evaluate and select major suppliers and subcontractors on their ability to meet the requirements of our social policy and principles and to maintain reasonable evidence that these requirements are continuing to be met.	<i>Policy 03s</i>
<b>Business Ethics</b>	We uphold the highest standards in Corporate Governance, business ethics and integrity and we support efforts of national and international authorities to establish and enforce high ethical standards for all businesses.	<i>Policy 01</i>

**APPENDIX A**

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**A**

POLICY  
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CLAUSE

**POLICY MANUAL CONFIGURATION CONTROL**

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## POLICY MANUAL CONFIGURATION CONTROL

SA8000:2001  
CLAUSE  
REFERENCE

30/01/2005 Issue 1 Revision A

Initial Issue for review, authorisation  
and implementation.

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POLICY  
MANUAL  
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## MANUAL CORRELATION OF POLICY AND PROCEDURES WITH CODES AND GUIDES

SA8000:2001  
CLAUSE  
REFERENCE

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		Section	Clause No	
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<b>(iv) Social Accountability Requirements</b>	(iv)	1		SA01/003
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1.2 Policies and procedures for remediation and schooling of children	1.2	5		
1.3 Policies and procedures for promoting education	1.3	5		
1.4 Child exposure to hazards in or outside the workplace	1.4	5		
<b>2 Forced Labour</b>	(iv) 2	6		SA06/001
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<b>3 Health and Safety</b>	(iv) 3	7		SA07/001
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3.2 Appointment of Senior Member to administer Health and Safety	3.2	7		
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3.4 System to detect threats, hazards and instigate preventive action	3.4	7		
3.5 Provision of clean bathrooms, potable water and sanitary food storage facilities.	3.5	7		
3.6 Dormitory facilities when provided to be clean, safe and meet basic needs	3.6	7		
<b>4 Freedom of Association &amp; Right to Collective Bargaining</b>	(iv) 4	8		SA08/001
4.1 Employees right to Union Membership and Collective Bargaining	4.1	8		
4.2 Provision when right of association is restricted under law	4.2	8		
4.3 Discrimination of union members and access for representatives	4.3	8		
<b>5 Discrimination</b>	(iv) 5	9		SA09/001
5.1 Not engage in or support discrimination.		9		
5.2 Not interfere with personnel right to observe tenets or practices		9		
5.3 Not allow behavior, gestures, language and physical contact, that is sexually coercive, threatening, abusive or exploitative.		9		
<b>6 Disciplinary Practices</b>	(iv) 6	10		SA10/001
6.1 Not engage or support the use of corporal punishment, mental or physical coercion, and verbal abuse.	6.1	10		
<b>7 Working Hours</b>	(iv) 7	11		SA11/001
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POLICY  
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## MANUAL CORRELATION OF POLICY AND PROCEDURES WITH CODES AND GUIDES

SA8000:2001  
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<b>iv 9 Management System</b>	(iv) 9	1		SA01/001
<b>9.1 Policy</b>	9.1	Front		SA02/001
a) Commitment to comply with the standard SA8000	9.1a	Policy		SA01/002
b) Commitment to comply with the law and other instruments	9.1b			SA01/003
c) Commitment to continual improvement;	9.1c			SA16/001
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e) Publically available	9.1e			SA17/001
<b>9.2 Management Review</b>	9.2	19		SA19/001
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<b>9.9 Suppliers Home-workers</b>	9.9	14		SA14/004
Company to take special steps to ensure suitable protection				
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b) Purchase requirements to be understood by home	9.9b			
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Response required to concerns of employees and other parties No discipline/discrimination to be given to those who provide information on noncompliance with SA8000				
<b>9.11 Resources for Implementation</b>	9.11	4		SA16/001 SA04/001
Resources to be allocated to correction of noncompliance appropriate to the nature and significance of the incidents				
<b>9.12 Outside Communications</b>	9.12	17		SA17/001
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<b>9.13 Access for Verifications</b>	9.13	18		SA18/001
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<b>9.14 Records</b>	9.14	20		SA20/001
Records required to show conformance to SA8000				

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**POLICY MANUAL FOREWORD**  
 (Normative Elements And Their Interpretation)

**SCOPE AND PURPOSE**

SA8000(i)

- 0.1 This policy manual has been compiled and adopted by our organisation as a statement of policy to comply with the international standard SA8000:2001 for social accountability. (i)
- 0.2 This policy document is an acknowledgment by the board of directors of their obligation and commitment for the company to respect its role in employment, social accountability and the conditions imposed and arranged for the labour used or associated with our products and the services we provide or use. (i)
- 0.3 The policy manual recognises the international standard SA8000:2001 as the standard against which we can measure our social accountability in order to: (i)
  - a) develop, maintain, and enforce policies and procedures in order to manage those issues which we can control or influence;
  - b) demonstrate to interested parties that our policies, procedures and practices conform with the requirements of the standard.
- 0.4 Within this policy manual we recognise that the requirements of the standard do specifically apply to our business and operations as well as applying universally with regard to geographic location, industry sector and company size. (i)
- 0.5 Within this policy manual, reference has been made to supporting management procedures for which we have used and consulted the SA8000 Guidance Document for interpretative guidance with respect to this standard. (i)
- 0.6 In addition we are committed to complying to all relative national and other applicable laws, other requirements to which the company subscribes, and the standard's specific requirements. When these address the same issue, the company has made provision for the requirements which are most stringent. In this respect we acknowledge the following international instruments: (ii)
  - ⇒ ILO Conventions 29 and 105 (Forced & Bonded Labour)
  - ⇒ ILO Convention 87 (Freedom of Association)
  - ⇒ ILO Convention 98 (Right to Collective Bargaining)
  - ⇒ ILO Conventions 100 and 111 (Equal remuneration for male and female workers for work of equal value; Discrimination)
  - ⇒ ILO Convention 135 (Workers' Representatives Convention)
  - ⇒ ILO Convention 138 & Recommendation 146 (Minimum Age and Recommendation)
  - ⇒ ILO Convention 155 & Recommendation 164 (Occupational Safety & Health)
  - ⇒ ILO Convention 159 (Vocational Rehabilitation & Employment/Disabled Persons)
  - ⇒ ILO Convention 177 (Home Work)
  - ⇒ ILO Convention 182 (Worst Forms of Child Labour)
  - ⇒ Universal Declaration of Human Rights
  - ⇒ The United Nations Convention on the Rights of the Child
  - ⇒ The United Nations Convention to Eliminate All Forms of Discrimination Against Women

**POLICY MANUAL FOREWORD**  
 (Normative Elements And Their Interpretation)

**PREPARATION AND COMMITMENT**

SA8000(ii)

- 0.7 We have taken a proactive stance in the preparation of this policy manual to advance our view that our company's social accountability will become increasingly important in our markets as well as the national and global economy. (ii)
- 0.8 We are confident that in addition to the moral obligation, our corporate governance requires that social accountability must ultimately be recognised as integral to the operations of our company and our activities. (ii)
- 0.9 We have therefore taken a proactive view of this matter as a foreseeable requirement of our stakeholders which we are intent on addressing and controlling within our management systems. (ii)
- 0.10 We are intent on having an effectively employed social accountability policy and practice in order to isolate any unacceptable aspects which are present in a global business that can unintentionally become contributors to our product and services. (ii)
- 0.11 As well as being unethical and unacceptable in the standards we seek to maintain in business and commerce, such infringements will ultimately deprive us of our brand names, our credibility in the market place and our ability to remain in business as a sustained operation and future investment for our stakeholders. (ii)
- 0.12 We recognise that any of these unfavorable aspects can damage the company reputation. Their existence or practice demonstrates a lack of effective corporate governance and a failing in the standards we set for our social accountability. (ii)
- 0.13 We value the reputation of our company, its products and the service we provide. We recognise that the loss of company reputation is one of the greatest risks the company will face as a business with significant implications for the continued operation in the short and long term (ii)
- 0.14 The scope of this management system is designed to provide us with the practices and procedures which we can effectively apply in the areas over which we can have an influence and for which the established practice will identify and eradicate such unacceptable conditions being imposed on employees within the known supply chain. (ii)
- 0.15 We will seek guidance in the implications of a given course of action in removing what we considered to be unacceptable conditions of employment or supply. We recognise that we need to be observant of the ultimate implications of what the consequences could be. (ii)
- 0.16 It is our practice therefore to respect the impact on all stakeholders involved, including those who have concerns for the established standards of employment, equality, conduct and employee welfare and those who are directly affected who may have different circumstances and priorities. (ii)

**POLICY MANUAL FOREWORD**  
 (Normative Elements And Their Interpretation)

**TERMINOLOGY AND DEFINITIONS**

SA8000(iii)

0.17 For effective and consistent communication of the company social accountability objectives we have adopted and recognised the definitions as defined in the international standard SA8000:2001 which are as follows:

**0.17.1 Definition of company:** (iii)1

The entirety of any organisation or business entity responsible for implementing the requirements of this standard, including all personnel (i.e. directors, executives, management, supervisors, and non-management staff, whether directly employed, contracted or otherwise representing the company).

**0.17.2 Definition of supplier/subcontractor:** (iii)2

A business entity which provides the company with goods and/or services integral to, and utilised in/for, the production of the company's goods and/or services.

**0.17.3 Definition of sub-supplier:** (iii)3

A business entity in the supply chain which, directly or indirectly, provides the supplier with goods and/or services integral to, and utilized in/for, the production of the supplier's and/or company's goods and/or services.

**0.17.4 Definition of remedial action:** (iii)4

Action taken to make amends to a worker or former employee for a previous violation of a worker's rights as covered by SA8000.

**0.17.5 Definition of corrective action:** (iii)5

The implementation of a systemic change or solution to ensure an immediate and ongoing remedy to a non-conformance.

**0.17.6 Definition of interested party:** (iii)6

Individual or group concerned with or affected by the social performance of the company.

**0.17.7 Definition of child:** (iii)7

Any person less than 15 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply.

If, however, local minimum age law is set at 14 years of age in accordance with developing-country exceptions under ILO Convention 138, the lower age will apply.

**0.17.8 Definition of young worker:** (iii)8

Any worker over the age of a child as defined above and under the age of 18.

**0.17.9 Definition of child labour:** (iii)9

Any work by a child younger than the age(s) specified in the above definition of a child, except as provided for by ILO Recommendation 146.

**POLICY MANUAL FOREWORD**  
 (Normative Elements And Their Interpretation)

**TERMINOLOGY AND DEFINITIONS CONTINUED**

**0.17.10 Definition of forced labour:**

All work or service that is extracted from any person under the menace of any penalty for which said person has not offered him/herself voluntarily or for which such work or service is demanded as a means of repayment of debt.

(iii)

(iii)10

**0.7.11 Definition of remediation of children:**

All necessary support and actions to ensure the safety, health, education, and development of children who have been subjected to child labour, as defined above, and are dismissed.

(iii)11

**0.7.12 Definition of Home-worker:**

A person who carries out work for a company under direct or indirect contract, other than on a company's premises, for remuneration, which results in the provision of a product or service as specified by the employer, irrespective of who supplies the equipment, materials or other inputs used.

(iii)12

**END OF MANUAL FOREWORD**

## SOCIAL ACCOUNTABILITY MANAGEMENT SYSTEM

- 1.0 POLICY** (iv)9.1  
(iv)9.1d  
(i)b
- We are committed to having a documented, effective and well-practiced management system that merits support and recognition for our social accountability concerns, reputation and conduct.
- 1.1 WHAT IS REQUIRED** (iv)9.0  
(i)b  
(iv)9.1d
- The international standard SA8000:2001 lays down basic requirements for social accountability to enable our company to:
- a) develop, maintain, and enforce policies and procedures in order to manage those issues which we can control or influence; (iv)9.0  
(i)
- b) demonstrate to interested parties that our policies, procedures and practices are in conformity with the requirements of the SA8000:2001 Social Accountability International Standard. (iv)9.0  
(i)
- The requirements of the International Standard SA8000:2001 apply universally with regard to geographical location, industry sector and company size. (iv)9.0  
(i)
- Our company must comply with national and other applicable laws and requirements to which we subscribe as well as the specific requirements contained in the standard. (iv)9.0  
(i)
- When national and other applicable laws or requirements to which we subscribe and this standard address the same issue, that provision which is most stringent is required to be respected and applied. (iv)9.0  
(i)  
(iv)9.1b
- We are also required to respect the principles of the following international instruments: (iv)9.0  
(i)
- ⇒ ILO Conventions 29 and 105 Forced & Bonded Labour (iv)2.0
  - ⇒ ILO Convention 87 Freedom of Association (iv)4.0
  - ⇒ ILO Convention 98 Right to Collective Bargaining (iv)4.0
  - ⇒ ILO Conventions 100 and 111 Equal remuneration for male and female workers for work of equal value; Discrimination (iv)8.0
  - ⇒ ILO Convention 135 Workers' Representatives Convention (iv)9.4
  - ⇒ ILO Convention 138 & Recommendation 146 Minimum Age Recommendation (iv)1.0
  - ⇒ ILO Convention 155 & Recommendation 164 Occupational Safety & Health (iv)3.0
  - ⇒ ILO Convention 159 Vocational Rehabilitation & Employment/Disabled Persons (iv)
  - ⇒ ILO Convention 177 Home Work (iv)9.9
  - ⇒ ILO Convention 182 Worst Forms of Child Labour (iv)1.0
  - ⇒ Universal Declaration of Human Rights (iv)
  - ⇒ The United Nations Convention on the Rights of the Child (iv)5.0
  - ⇒ The United Nations Convention to Eliminate All Forms of Discrimination Against Women (iv)5.0



## SOCIAL ACCOUNTABILITY MANAGEMENT SYSTEM

### 1.2 WHAT WE DO

We have documented, committed and implemented the provisions of this policy manual as an integral part of our Corporate Governance. This is designed to ensure we can be directed and informed on the matters associated with our social accountability and the related concerns or expectations of our stakeholders in the conduct of the business.

(iv)9.1

1.2.1 This applies to our role as a consumer, customer, employer, producer, supplier and a steward of the business with which we are entrusted.

(iv)9.0  
 (i)  
 (iv)9.1

1.2.2 It applies particularly in the decision we make as to the stewardship of our investments and profits which are generated as a result of the products are services that we supply.

(iv)9.0  
 (i)

1.2.3 We always consider our customers' and investors' perception of such matters and what is acceptable to them as users and consumers of our products from a socially accountable perspective.

(iv)9.0  
 (i)  
 (iv)9.1

1.2.4 There are a significant number of foreseeable sources of unacceptable practices which can be applied to a workforce that can inadvertently find their way into a proportion of our products and services. These include:

(iv)9.0  
 (i)  
 (iv)9.1

- Child Labour
- Forced Labour
- Inadequate Health and Safety Provision
- Constraints on Association & Right to Collective Bargaining
- Employee Discrimination
- Unacceptable and Unjustified Disciplinary Practices
- Extensive Working Hours
- Inadequate Remuneration
- Exploitation of workers and/or suppliers;

1.2.5 In addition to the employees related aspects there are additional matters of social accountability that can infringe on our corporate governance. These include:

(iv)9.1  
 (iv)9.0  
 (i)

- Tolerance of fraud and unethical dealings;
- Contempt for public perception;
- Environmental mismanagement;
- Occupational health and safety mismanagement and/or liability;
- Industrial espionage;
- Widespread disease or illness among the workforce;
- IT misuses and infringements;
- Discounting obligations during a disaster;

1.2.6 Without effectively employed social accountability policy and practices, these unacceptable aspects which are present in global business trading will unintentionally become contributors to our product and services.

(iv)9.1  
 (iv)9.0  
 (i)

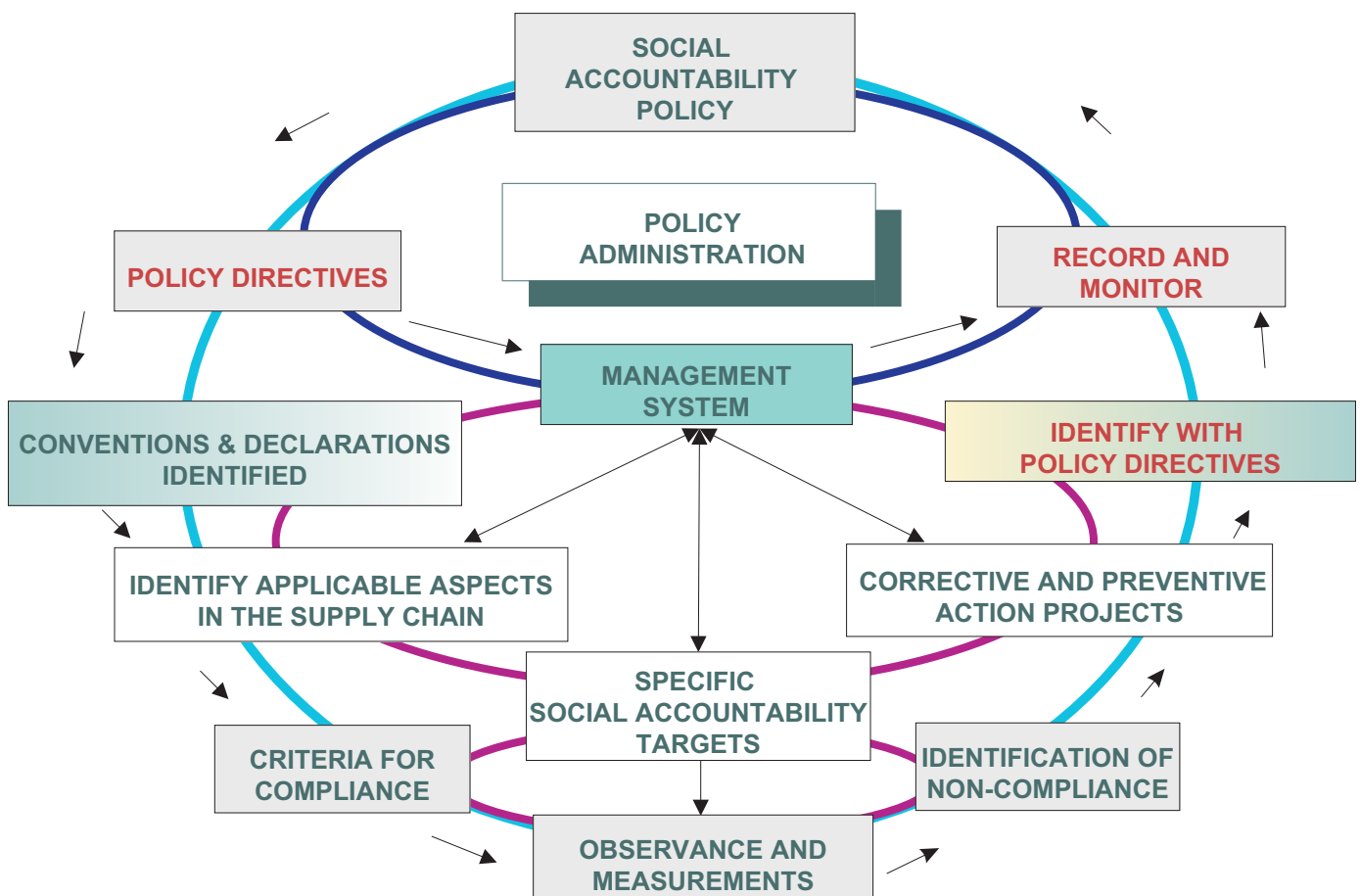
1.2.7 As well as being unethical and unacceptable in the standards we seek to maintain in business and commerce, such infringements will ultimately deprive us of our brand names, our credibility in the market place and our ability to remain in business as a sustained operation and future investment for our stakeholders.

(iv)9.1  
 (iv)9.0  
 (i)

## SOCIAL ACCOUNTABILITY MANAGEMENT SYSTEM

### 1.2 WHAT WE DO CONTINUED

- (iv)9.1
- 1.2.8 We recognise that any of these unfavourable aspects can damage the company reputation. Their existence or practice demonstrates a lack of effective corporate governance and a failing in the standards we set for our social accountability. (iv)9.0  
(i)  
(iv)9.1
- 1.2.9 We value the reputation of our company, its products and the services we provide. We recognise that the loss of company reputation is one of the greatest risks the company will face as a business with significant implications for the continued operation in the short and long term. (iv)9.0  
(i)
- 1.2.10 We have established a practice which is described in this manual to identify and eradicate such unacceptable conditions being imposed on employees in the known supply chain. (iv)9.0  
(i)  
(iv)9.1



## SOCIAL ACCOUNTABILITY MANAGEMENT SYSTEM

### 1.2 WHAT WE DO CONTINUED

- |        |  |   |
|--------|--|---|
|        |  | <i>(iv)9.1</i>  |
| 1.2.11 | The social accountability management process has provision for setting priorities based on probability, frequency and implications. The practice identifies the existence and likelihood of the unacceptable practices finding their way into our products and services. The possibilities are viewed from 2 perspectives: | <i>(iv)9.0</i><br><i>(i)</i><br><i>(iv)9.1</i>                    |
| a)     | with the necessary management and systems controls embedded and operating effectively in our culture of operation;   | <i>(iv)9.0</i><br><i>(i)</i><br><i>(iv)9.1</i>                    |
| b)     | in the ineffectiveness, absence, probability of omission or misdirection of system controls that would otherwise be relied upon.   | <i>(iv)9.0</i><br><i>(i)</i><br><i>(iv)9.1</i>                    |
| 1.2.12 | The intolerable conditions within the process and supply chain are the ones the company needs to deal with as a matter of priority. This includes any deviations in the conventions, recommendations and declarations listed under clause 1.1 of this manual section.  | <i>(iv)9.1</i><br><i>(iv)9.0</i><br><i>(i)</i><br><i>(iv)9.5d</i> |
| 1.2.13 | The desire to impose improvements on our own preferences and priorities must be tempered with the current conventions and directives from informed authorities.  | <i>(iv)9.1</i><br><i>(iv)9.0</i><br><i>(i)</i>                    |
| 1.2.14 | We seek guidance in the implications of a given course of action in removing what we consider to be unacceptable conditions of employment or supply. We need to be observant of the ultimate implications of what the consequences could be.   | <i>(iv)9.1</i><br><i>(iv)9.0</i><br><i>(i)</i><br><i>(iv)9.5d</i> |
| 1.2.15 | It is our practice therefore to respect the impact on all stakeholders involved, including those who have concerns for the established standards of employment, equality, conduct and employee welfare and those who are directly affected who may have different circumstances and priorities.                            | <i>(iv)9.1</i><br><i>(iv)9.0</i><br><i>(i)</i><br><i>(iv)9.5d</i> |
| 1.2.16 | In such matters we seek to ensure that the business we are engaged in and the circumstances of the employee and others involved in the process will not be manipulated, enhanced or used to perpetuate their disadvantage.   | <i>(iv)9.1</i><br><i>(iv)9.0</i><br><i>(i)</i><br><i>(iv)9.5d</i> |
| 1.2.17 | Monitoring and measurements are part of the management controls that we maintain to ensure that standards are set and maintained. Improvements in social conditions and accountability for areas over which we have an influence are identified and related to planned results and targets which we seek to realise.       | <i>(iv)9.1</i><br><i>(iv)9.0</i><br><i>(i)</i><br><i>(iv)9.5d</i> |
| 1.2.18 | When deviations occur, they are identified and reported for enquiry and investigation as to the existence or potential of an unknown or unidentified problem within our social accountability objectives and governance.   | <i>(iv)9.1</i><br><i>(iv)9.0</i><br><i>(i)</i><br><i>(iv)9.5d</i> |

## SOCIAL ACCOUNTABILITY MANAGEMENT SYSTEM

### 1.2 WHAT WE DO CONTINUED

(iv)9.1

1.2.19 The company social accountability management system programme and its practices provide for the time phased eradication of all identified unacceptable practices and related matters, which are referred to collectively as issues. A review of the results of the supply chain management, monitoring and control procedures is contained in the programme. This will highlight any incidents, errors or concerns raised or aspects of our business which are exposed to unacceptable practices and infringements.

(iv)9.0  
 (i)  
 (iv)9.1

All risk management monitoring is controlled by the Corporate Governance Programme of which social accountability is a significant contributor and aspect of our stewardship and governance.

(iv)9.0  
 (i)  
 (iv)9.1

By operating this approach and practice, we seek to identify any existence of unacceptable practices and infringements. We can then highlight the potential, evaluate the impacts and ensure that the resources needed for the control are approved and deployed to achieve the stated objectives.

(iv)9.10  
 (i)  
 (iv)9.1

Despite the best endeavours of our forecasting and planning practices we will invariably encounter unplanned or unforeseen threats arising from external factors for which we have no input or control. The control of these eventualities are accommodated by early identification, assessment and decision to which we have made provision in the issues for preventive measures within our programme. This provision consists of:

(iv)9.1  
 (iv)9.10  
 (i)  
 (iv)9.5d

- a) Reporting significant deviation in the provisions set in the conventions, declarations or our own set policy objectives;
- b) Decline in the public perception of our social accountability identified through the sales of our process or product;
- c) Complaints from external authorities indicative of an incident in the supply chain;
- d) Employment and industrial relations, personnel and staff turnover, occupational health and safety incidents in the company or the supply chain;
- e) Legislation and statutory changes, industrial espionage and civil action;
- f) Planning and preparedness for response to emergencies and disasters created by our activities or those involved in the supply chain.

These preventive measures are designed to identify unknown unfavourable aspects and their associated adverse risks and convert them into issues which we can control and manage within our programme.

(iv)9.1  
 (iv)9.10  
 (i)  
 (iv)9.5d

## SOCIAL ACCOUNTABILITY MANAGEMENT SYSTEM

### 1.3 PROCEDURES

The following administrative and specified procedures are used in connection with the Social Accountability Management System policy and practices:

*(iv)9.1d*  
*(iv)9.5*  
*(i) (iv)9.1*

SA01/001	Social Accountability Management System	(iv)9.0
SA01/002	Introduction to Social Accountability	
SA01/003	Social Accountability Laws and Conventions	
SA01/004	Social Accountability Terms and Definitions	
SA13/001	Social Accountability Planning	(iv)9.5
SA13/002	Building on a framework	
SA13/003	Establishing a management strategy	
SA13/004	Identifying threats and unacceptable conditions	
SA13/005	Identifying stakeholders needs	
SA13/006	Determining and managing the priorities	
SA13/007	Planning for Management of Individual Issues	
SA13/008	Monitoring, Measuring and Analysis	(iv)9.5d
SA14/001	Management and Control of the Supply Chain	(iv)9.6,
SA14/002	Supplier Practices and Records	(iv)9.7
SA14/003	Evidence of Supplier Compliance and Control	(iv)9.8
SA14/004	Home-workers	(iv)9.9
SA16/001	Continuous Improvement	(iv)9.1c
SA17/001	Communications	(iv)9.12
SA19/001	Management Review	(iv)9.2
SA20/001	Company Social Accountability Records	(iv)9.14

### 1.4 RESPONSIBILITY

The Company Chairman is responsible for this Social Accountability Management System Policy.

*(iv)9.5a*  
 9.1

END OF SECTION 1

## POLICY MANAGEMENT AND EFFECTIVE IMPLEMENTATION

- 2.0 POLICY** *(iv)9.1*
- We shall control the management of the social accountability policy statement to ensure that it is accessible, reviewed, published, in-keeping and effectively implemented in accordance with planned arrangements thereby complying with clause 9.1 of Social Accountability International Standard SA8000:2001 *(i)b*
- 2.1 WHAT IS REQUIRED** *9.1a*
- The Social Accountability International Standard requires that our Top Management must define the company's policy for social accountability and labour conditions to ensure that it:
- a) includes a commitment to conform to all requirements of the standard; *(iv)9.1a*
  - b) includes a commitment to comply with national and other applicable laws, other requirements to which the company subscribes and to respect the international instruments and their interpretation; *(iv)9.1b*
  - c) includes a commitment to continual improvement in our social accountability; *(iv)9.1c*
  - d) is effectively documented, implemented, maintained, communicated and is accessible in a comprehensible form to all personnel, including, directors, executives, management, supervisors, and staff, whether directly employed, contracted or otherwise representing the company; *(iv)9.1d*
  - e) is publicly available. *(iv)9.1e*
- 2.1.1 In order for the policy to be effectively implemented it must provide a framework and provision for practical arrangements to deal with specific social accountability issues. *(iv)9.1d*
- 2.1.2 Our social accountability policy must reflect the true commitment of our company and the stakeholders involved. This must provide for a positive culture within our organisation to make certain that unacceptable labour conditions and poor standards of social accountability encountered in the company processes and supply chain are identified, removed, minimised, controlled or transferred. *(iv)9.1d*
- 2.1.3 Effective implementation of the policy must: *(iv)9.1d*
- a) reflect the nature and size of our business;
  - b) commit to ensuring that a culture is established to acknowledge responsibility for social accountability;
  - c) commit to internal and external control audits to verify the arrangements;
  - d) commit to reviewing the business operations at least annually to ensure that the arrangements are effective;
  - e) commit to reporting annually to shareholders and/or stakeholders as appropriate.

## POLICY MANAGEMENT AND EFFECTIVE IMPLEMENTATION

- 2.2 WHAT WE DO** (iv)9.1
- We have established and published our company policy for social accountability which is included in the front of this policy manual.
- 2.2.1 We have adopted the guidance given in SA8000:2001 as a basis for our social accountability policy. (iv)9.1
- 2.2.2 Our social accountability policy is structured in line with the International Standard SA8000:2001 and reflects the nature and size of our business and the known areas over which we can exercise influence and controls. (iv)9.1a
- 2.2.3 Our policy contains a commitment for: (iv)9.1
- ensuring that management is competent to operate and effectively maintain a system of social accountability;
  - a culture is established to control and manage the supply chain and processes used;
  - internal control audits to verify the arrangements for social accountability and labour conditions within our own operations as well as those of our suppliers;
  - reviewing the business social accountability commitment and obligations regularly on a 6 monthly planned basis to ensure that the arrangements are effective;
  - reporting annually to shareholders and/or stakeholders as appropriate.
- 2.2.4 Each section of this policy manual commences with a policy statement which are designed and reviewed to ensure we can meet the agreed and accepted obligations. This is designed to reflect our commitment as a concerned organisation intent on being recognised as socially accountable and ethical in its arrangements for labour involved in our products and services. (iv)9.1d
- 2.2.5 The social accountability policy statement document is available to external authorities and parties recognised as stakeholders in our business arrangements. It is subject to review, revision and established document control practices. (iv)9.1e
- 2.2.6 The board of directors, being responsible for the company's system of internal control, has set appropriate policies on internal control and developed them within this policy manual. (iv)9.1d
- 2.2.7 The prescription in this manual is designed to convey the expectations of the board and all other stakeholders for our social accountability. The management system we employ is measured against this manual's requirement and corrective measures are put in place when such requirements are not being achieved consistently and effectively. (iv)9.5d



## POLICY MANAGEMENT AND EFFECTIVE IMPLEMENTATION

### 2.2 WHAT WE DO CONTINUED

(iv)9.1

2.2.8 The board ensure that the management systems for internal control are effective in managing our social accountability obligation and commitment. This is from a social accountability programme to our products and services in the manner which the board has approved and conveyed in this manual.

(iv)9.1d

2.2.9 In setting these policies the board promotes what they consider to be a sound system of internal control for social accountability and labour conditions in the particular circumstances of the company at any given time. When considering changes which advance our social accountability the board's deliberations include:

(iv)9.1d

⇒ **Our Obligations**

The expected nature and extent of our obligation to control factors in the supply chain and company process which impact on the standards expected by the customers we supply and the services we promote;

⇒ **Our Influence**

The extent to which we can be expected to influence labour conditions used in the supply chain from the aspect of the business we develop and the investments we are privileged with administrating;

The company's ability to exercise influence over what is acceptable in societies and cultures which are different to our own and have a historical, political or religious significance.

⇒ **Our Responsibility for Consequences**

The impact which we may have on the welfare of those who are dependent on our business to continue in employment.

The possibility of unforeseen adverse conditions arising which would be more detrimental to others than the benefit we seek to derive from the action taken.

⇒ **Our Concerns for Others**

The implications of a given course of action for the company and its sustainability as well as that of those involved in an established supply chain.

2.2.10 Our management develop and implement board policies on social accountability and labour conditions. In fulfilling this responsibility, the management identify and evaluate the risks faced by the company for consideration by the board and design, operate and monitor a suitable system of internal control which implements the policies adopted by the board.

(iv)9.1c



## POLICY MANAGEMENT AND EFFECTIVE IMPLEMENTATION

- 2.2 WHAT WE DO CONTINUED** *(iv)9.1*
- 2.2.9 Our supervisors and employees also have responsibility for internal control as part of their accountability for achieving set policy objectives. They collectively have the necessary knowledge, skills, information and authority to establish, operate and monitor the system of internal control and advance our commitments to social accountability and correct labour conditions. *(iv)9.5c*
- 2.2.10 This requires training and resources which are provided to promote an understanding of the social accountability and labour conditions objectives, the industries and markets in which we operate and the risks we face in doing so. *(iv)9.5cd*
- 2.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES** *(iv)9.1d*
- The following documented procedures are maintained and implemented within the company for the effective implementation of this policy:
- |          |   |                |
|----------|---|----------------|
| SA02/001 | Social Accountability Policy Management | <i>(iv)9.1</i> |
| SA02/002 | Effective Implementation of Policy      | <i>(iv)9.1</i> |
- 2.4 RESPONSIBILITY** *(iv)9.5b*
- The Company Representative is responsible for this Social Accountability Policy Management Policy. *(iv)9.1*

END OF SECTION 2

## COMPANY STRUCTURE AND RESPONSIBILITIES

### Organisational Structure

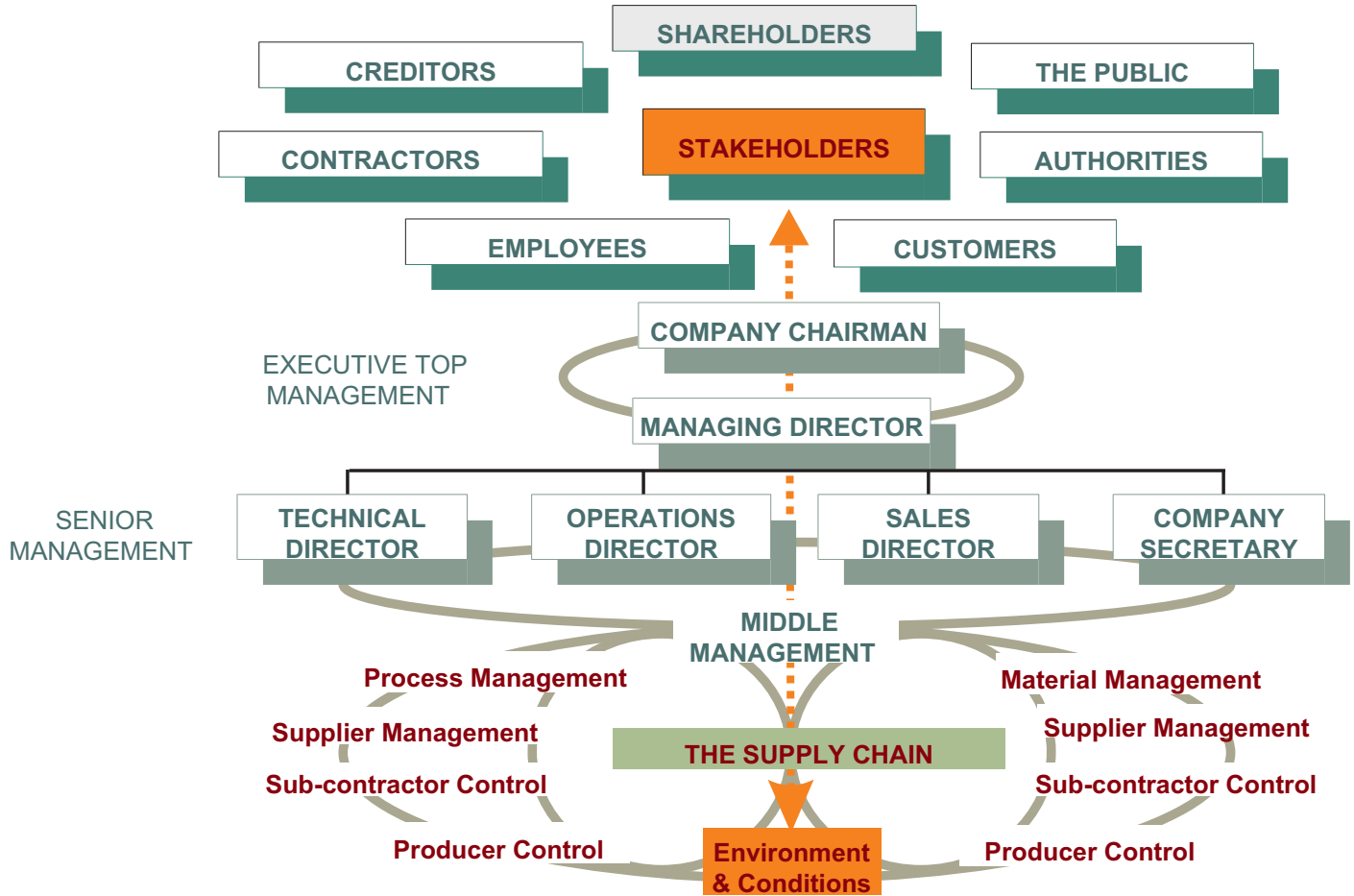
- 3.0 POLICY** (iv)9.1  
(iv)9.5
- We shall assign roles, responsibilities and authorities for social accountability to ensure that authority is adequate and delegated to the appropriate level and accepted by those with the experience and capability to manage the policy and tasks involved. This is to comply with clause 9.1 of Social Accountability International Standard SA8000:2001. (i)b
- 3.1 WHAT IS REQUIRED** (iv)9.5
- We must ensure that roles, responsibilities and authorities which are assigned in our company structure, operate to ensure that the policy is implemented and the procedures are managed to realise our social accountability and promote acceptable conditions for labour involved in our products and services.
- The international standard SA 8000:2001 for social accountability requires us to have in place: (iv)9.5
- a) clear definition of roles, responsibilities, and authority; (iv)9.5a
  - b) training of new and/or temporary employees upon hiring; (iv)9.5b
  - c) periodic training and awareness programs for existing employees; (iv)9.5c
  - 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. (iv)9.5d
- 3.1.1 The ultimate responsibility for our social accountability lies with our Top Management. (iv)9.5a
- 3.1.2 Top management must ensure that individual roles and responsibilities are defined and understood at each level where control needs to be exercised for correct labour conditions and related social accountability issues. (iv)9.5a
- 3.1.3 We must ensure that those who carry such responsibilities have the necessary authority and know-how to act when required. They must have their roles and responsibilities documented and communicated both up and down the organisational structure so there can be no misunderstandings. (iv)9.5a
- 3.1.4 We must acknowledge and promote the importance of social accountability to customers, suppliers, employees, shareholders and other stakeholders so they are aware of: (iv)9.5
- a) the rights and concerns as involved contributing parties;
  - b) the role we all have in keeping a check on our corporate actions that have an impact on social accountability and any related decisions.
- 3.1.5 We must recognise that our social accountability policy spreads the role of making major decisions over a wider decision making area. Therefore, no one person is responsible for the future movements of a company in which they may have an interest or contribution to make. (iv)9.5

POLICY MANUAL  
CLAUSE  
REFERENCE

## COMPANY STRUCTURE AND RESPONSIBILITIES

Organisational Structure

SA8000:2001  
CLAUSE  
REFERENCE



	SOCIAL ACCOUNTABILITY DUTIES AND RESPONSIBILITIES	COMPANY CHAIRMAN	MANAGING DIRECTOR	SENIOR DIRECTORS	COMPANY SECRETARY	COMPANY REPRESENTATIVE
EXECUTIVE MANAGEMENT	Social Accountability Policy	■ 1.0				
	Social Accountability System					■ 2.0
SENIOR MANAGEMENT	Company Structure and Responsibilities		■ 3.0			
	Resources Management		■ 4.0			
	Social Accountability Planning					■ 13.0
	Child Labour		■ 5.0			
	Forced Labour			■ 6.0		
SUPPLY CHAIN MANAGEMENT	Health and Safety			■ 7.0		
	Freedom of Association		■ 8.0			
	Discrimination and Discrimination Practices		■ 9.0-10.0			
	Working Hours			■ 11.0		
	Remuneration			■ 12.0		
	Management and Control of the Supply Chain			■ 13.0		
	Analysis of Non-compliance/ Corrective Action					■ 14.0-15
SA SYSTEM MANAGEMENT	Continuous Improvement					■ 16.0
	Communications				■ 17.0	
	Access, Audits and Assessments					■ 18.0
	Management Review					■ 19.0
	Records					■ 20.0

## COMPANY STRUCTURE AND RESPONSIBILITIES

### Organisational Structure

- 3.2 WHAT WE DO** *(iv)9.5*
- This policy manual addresses the requirements of our social accountability commitments in respect of documenting and communicating responsibilities and authorities.
- Organisational Structure** *(iv)9.5a*
- 3.2.1 The manual includes the details of all authorities and responsibilities derived from our social accountability. This involves the company directors, senior management and supervisors as well as operatives and technicians together with their interrelations with other contributors to our management system and decision making. *(iv)9.5a*
- 3.2.2 The Managing Director is responsible for this social accountability Organisation, Structures, Roles and Responsibility Policy. The following positions are responsible for social accountability policy in respect of the risk management addressed in this manual: *(iv)9.5a*
- a) Company Chairman
  - b) Managing Director
  - c) Technical Director
  - d) Operations Director
  - d) Director of Sales and Marketing
  - e) Company Secretary and Management Representative
- Contributions and support for social accountability policy and practice is given by: *(iv)9.5a*
- g) Managers and Heads of Department
  - h) Middle Management and Supervisors
  - i) Operatives and Technicians
- 3.2.3 Everyone involved in social accountability matters has their responsibilities and authorities defined in this manual. The responsibilities are reviewed and confirmed at the management review meeting to ensure effective implementation and communication. *(iv)9.5a*
- 3.2.4 The policy manual identifies a specific senior director or manager as responsible for a policy. This is cited under clause 4 of each section. These authorities have responsibility for an aspect of policy in the social accountability management system which includes: *(iv)9.1*
- a) ensuring the relevant section of the policy manual is correct; *(iv)9.5a*
  - b) ensuring the details are consistent with company policy; *(iv)9.5a*
  - c) ensuring the policy is effectively implemented; *(iv)9.5a*
  - d) undertaking a review of the social accountability aspects at regular intervals; *(iv)9.5a*
  - e) having responsibility for instigating and authorising any changes to the sections in question. *(iv)9.5a*

## COMPANY STRUCTURE AND RESPONSIBILITIES

### Organisational Structure

- 3.2 WHAT WE DO CONTINUED** *(iv)9.5*
- Chairman, Directors and Offices of the Company** *(iv)9.5a*
- 3.2.5 Due to our social accountability policy and management systems commitments, our directors and officers are accountable to far more people than was previously the case. *(iv)9.5a*
- 3.2.6 The responsibility for our social accountability success or failure will depend on the quality and accountability of its management. This lies with the competence and conduct of our directors and officers, as it is they who have to face the consequences of success or failure. Their duties and responsibilities focus on the recognition of our social obligations at all management decision levels which impact on:
- a) the society in which we operate;
  - b) the environment upon which we have an impact;
  - c) the working conditions of people, over which we have control or influence.
- 3.2.7 Our directors and officers take proper account of the long term consequences of their decisions. They are also intent on setting up independent committees consisting of non-management employees and representatives in order to communicate effectively and prevent any conflict of interest. *(iv)9.5a*
- 3.2.8 The Company Secretary is the appointed management representative within the social accountability management system. The secretary reports to the Managing Director and Chairman on the performance of the social accountability management system, including the need for improvement. *(iv)9.5a*  
*(iv)9.3*
- 3.2.9 In this respect they collectively promote an awareness of social accountability standards requirements by making known any dissatisfaction, concerns or appreciations received from employers, representatives, authorities and related stakeholders who have a vested interest or contribution in the operation of the company. *(iv)9.5a*  
*(iv)9.12*
- 3.2.10 The company programme of reviews, meetings and internal communication provides all authorities with a point at which exchanges of views, information or concern can be recorded in respect of the social accountability policy manuals contents and administration. *(iv)9.12*
- 3.2.11 Documented procedures exist for all significant social accountability aspects which include reviews and controls within the structure and content of our management programme. *(iv)9.5d*  
*(iv)9.14*

**COMPANY STRUCTURE AND RESPONSIBILITIES**  
 Employee Training and Awareness

- 3.2 WHAT WE DO CONTINUED** (iv)9.5
- Employee Training** (iv)9.5b
- 3.2.12 The company acknowledges its responsibility for training of new employees and for the development of existing employees. (iv)9.5b
- 3.2.13 This extends to training of new and/or temporary employees upon hiring and the development of periodic training and awareness programs for existing employees. (iv)9.5b
- 3.2.14 We recognise that our social accountability has a role to play in the training and awareness of employees and others involved in the supply chain. This can contribute or detract from the internal and external governance down to the individual worker or supplier which includes many interested and often unknown parties. (iv)9.5bc
- 3.2.15 As an integral part of our quality and improvement management systems we analyse the development needs of all our employees and develop training plans for their improvement and that of the company. (iv)9.5bc
- 3.2.16 This provides new employees with the awareness they need and the required knowledge which, together with skills and experience they develop, leads to competence in the tasks to which they are assigned. (iv)9.5b
- 3.2.17 We provide ongoing training in order to achieve social accountability objectives. The training we give our employees is designed to emphasise the importance of meeting the company requirements and the needs of other interested parties. Our training provisions include education and learning which is directed at the following: (iv)9.5c
- the concept and vision for the company reputation and future;
  - our company's social accountability policies and objectives;
  - internal change and social development;
  - the cycle of improvement activities;
  - creativity and innovation;
  - our operations impact on society;
  - introductory programmes for new people;
  - refresher programmes for trained employees.
- 3.2.18 In addition to the training requirements of the company, we consider providing personal development training for our employees. This must however be complimentary to the business of the company and be supportive of the company social accountability development. (iv)9.5c
- 3.2.19 Suppliers and subcontractors engaged in a contribution to the supply chain are similarly encouraged to develop and adopt training practices with employee and supplier provision. These are expected in line with the expectations of our company and the continuity of the business we are doing. (iv)9.12  
(iv)9.6  
(iv)9.7  
(iv)9.8  
(iv)9.5bc

## COMPANY STRUCTURE AND RESPONSIBILITIES

### Employee Training and Awareness

### 3.2 WHAT WE DO CONTINUED

*(iv)9.5*

#### Employee Training

*(iv)9.5b*

3.2.20 The training of employees and contractors is the responsibility of the Senior Managers who ensure each employee is suitably trained, experienced or competent to work without supervision or under instruction. In order to achieve this, all employees are suitably trained in the tasks to which they are being assigned depending upon the level at which they operate and function within the company.

*(iv)9.5bc*

3.2.21 We identify and provide for the company training needs which are created by our process activities and business practices. This is to ensure that all decisions and work which create an impact on the employees' conditions or environment have received appropriate instruction and training.

*(iv)9.5bc*

3.2.22 Within our procedures we have provided for the grading of instruction and awareness required at the levels within the company. This is in line with the authority and tasks each individual accepts and undertakes:

*(iv)9.5a*

a) Directors and Executives

*(iv)9.5a*

The Directors and Executives who comprise of the 6 monthly management review meetings define policy and promote awareness of the company social accountability objectives. They are suitably informed from top management and external authorities as to the requirements of the international social accountability standard SA8000:2001. They are regularly updated on the progress of the management systems content from external authorities, customers and other stakeholders who have informed expectations of our systems and policy.

b) Senior Management

*(iv)9.5a*

The Senior Management are trained and informed sufficient to interpret social accountability policy. They implement policy through objectives, procedure changes and developments relating to aspects that have an impact on employee and stakeholder expectations. They are responsible for current social accountability projects and management matters in order to control and process the social accountability system within their areas of operation.

c) Middle Management

*(iv)9.5a*

Middle Management and Supervisors who report to the Senior Managers are trained, qualified or competent to ensure the social accountability aspects under their control are being monitored and operated in line with the documented procedures.

d) Operatives and Technicians

*iv)9.5abc*

Operatives and Technicians are given sufficient training and instruction to be aware of their duties and tasks without creating a problem or incurring a deviation from the documented procedures and work instructions issued.



**COMPANY STRUCTURE AND RESPONSIBILITIES**  
 Employee Training and Awareness

**3.2 WHAT WE DO CONTINUED**

(iv)9.5

**Employee Training**

(iv)9.5b

3.2.23 All employees receive instruction on:

(iv)9.5bc

- a) the importance of conformance with our current company policy and procedures and with the requirements of our social accountability management systems;
- b) the significant impacts, actual or potential, of their tasks and the relationship to our social accountability and the expectations and the benefits of improved personal performance;
- c) their roles and responsibilities in achieving conformance with our social accountability policy and procedures and with the requirements of other management systems, including corrective and preventive measures and the need to identify continual improvement opportunities to which our top management is committed;
- d) the potential consequences of departure from our social accountability policy, specified documented procedures, plans and associated programmes.

3.2.24 We develop our training programme for the employee awareness which is integrated into our training practices administered by the Management Representative and Personnel Department.

(iv)9.5bc

3.2.25 It is a part of our company personnel policy that training needs are identified and addressed. This ensures that all personnel whose work has a significant impact upon the social accountability of the company and the relationship with the products and services we deliver have received appropriate training or such training requirements have been identified and are planned into the current training programme.

(iv)9.5a  
 (iv)9.5bc

3.2.26 Each and every employee is instructed as to the location of the company policy statements, manuals and documented procedure.

(iv)9.5a  
 (iv)9.5bc

3.2.27 Specific requirements which can affect their role and duties in the company that are derived from the social accountability policy are discussed with the operative, their head of department and the company or employees appointed representative for which records are maintained. All employees of the company are given instruction and assistance to determine the correctness of the products, services and processes produced and deployed. As stated in related procedures, criteria for compliance is detailed in the following documents:-

(iv)9.5bc

- a) Company Policy, Manuals and Procedures.
- b) Health and Safety Legislation and Requirements
- c) Programmes, Plans and Check Lists/Prescriptions
- d) Work Instructions, Specifications and Related Documents
- e) Improvement Projects



**COMPANY STRUCTURE AND RESPONSIBILITIES**  
 Employee Training and Awareness

**3.2 WHAT WE DO CONTINUED**

(iv)9.5

**Employee Training**

(iv)9.5b

- 3.2.28 We establish and maintain training procedures and keep records of subjects and employees who are involved in the operations of our company. This ensures each relevant function and level are aware of the importance of conformance with our current company policy and procedures and with the requirements of our management system. (iv)9.5bc
- 3.2.29 Operatives and technicians performing tasks are made aware of the consequences of failures or deviations which can cause significant products and service non-compliance. This is achieved by internal instruction from Supervisors and Heads of Department with written instruction posted at the process operation centres when deemed necessary or supportive. (iv)9.5bc
- 3.2.30 The methods and authorities we employ for addressing training requirements are dependent upon the aspects of the training plan. The Management Team that undertakes audits and reviews provides for the dissemination of information, agreements and policy in respect of social accountability developments and issues. This ensures each department and area understands their responsibilities to conform with our policy and that procedures are understood, accepted and effectively discharged. (iv)9.5bc
- 3.2.31 All new employees are entitled to induction training. This includes, in addition to other matters, awareness of our policy and the contribution each employee is required to make to our quality system. Any additional training needs are determined and listed on the employee's training records as a prescription. (iv)9.5bc
- 3.2.32 When company-wide instruction is required a programme is agreed by the Management Review Meeting in cooperation with the Personnel Department. The aim is to encourage a commitment to the organisation's policies on social accountability matters by familiarising our employees with the procedures concerning the important issues. (iv)9.5a  
(iv)9.5bc
- 3.2.33 Such training is not restricted to individual departments and all staff are trained to be aware of the policies and procedures for managing our product and process with the intention of improving performance through our policy and its constituent objectives. (iv)9.5a  
(iv)9.5bc
- 3.2.34 Employees are regularly updated on all new improvement initiatives which the organisation has established to improve social accountability performance in our activity via in house training presentations and seminars. (iv)9.5bc
- 3.2.35 We maintain a training manual which holds appropriate records of education, experience, training and qualifications for each employee and the requirements for a current period of the training programme. This training manual is identified as a controlled record and holds forms, records and schedules which are required to effectively manage our social accountability for training requirements. (iv)9.5bc

## COMPANY STRUCTURE AND RESPONSIBILITIES

Monitoring and Measuring Activities and Results

### 3.2 WHAT WE DO CONTINUED

(iv)9.5

#### Monitoring and Measuring

(iv)9.5d

3.2.36 We acknowledge our management responsibility for continuous monitoring of activities and results. This is needed to demonstrate the effectiveness of systems implemented to meet the company's policy and the requirements of the social accountability standard.

(iv)9.5d

3.2.37 Our monitoring and measurement policy ensures that the need for adjustments and change is effectively managed, evaluated and reported. This includes measurement, analysis and improvement issues such as:

(iv)9.5d

- a) social accountability measurements, analysis and improvement methods;
- b) periodic review of social accountability issues and related data;
- c) stakeholder satisfaction with our social accountability monitoring and measurement reporting and records;
- d) use of measurements and information generated by our social accountability systems;
- e) effective social accountability communication tools;
- g) self-assessment and exception reporting, monitoring and evaluation of our social accountability performance and objectives.

3.2.38 In determining social accountability implications for the company business we advocate alternative patterns, results and failures in order to forewarn the systems of any foreseeable difficulties and problems which may arise in the business we engage. This enables us to be suitably prepared for such eventualities and to have a policy or process for dealing with unacceptable factions within the supply chain or process upon which we rely.

(iv)9.5d

3.2.39 The results of the monitoring, measuring and simulations are documented and retained for verifications, reference and prescriptions to act as templates for future events, social accountability issue management and mitigation.

(iv)9.5d

3.2.40 Reviewing the effectiveness of internal and external control is the board's responsibilities. The board needs to form its own view on effectiveness after due and careful enquiry based on the information and assurances provided from the social accountability management system.

(iv)9.5d

## COMPANY STRUCTURE AND RESPONSIBILITIES

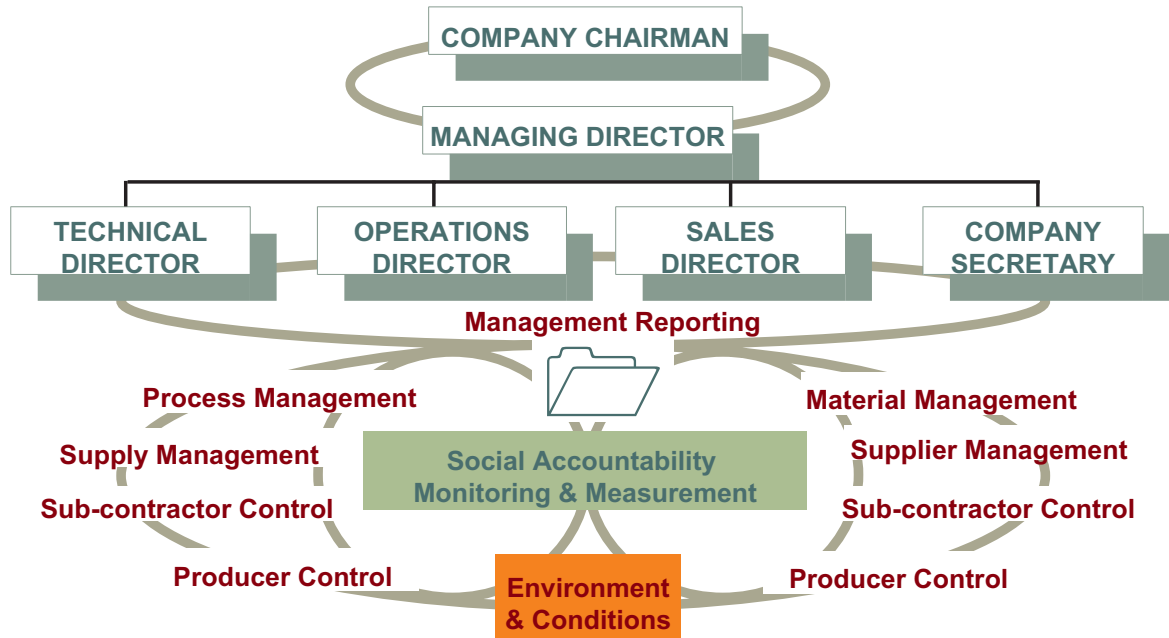
Monitoring and Measuring Activities and Results

### 3.2 WHAT WE DO CONTINUED

(iv)9.5

#### Monitoring and Measuring

(iv)9.5d



3.2.41 Our senior management monitors the system of social accountability from the performance indicators established in the management process and supply chain. Management reports to the board on matters which it has been tasked with identifying and controlling. The board of directors ensure the social accountability system they have prescribed and its policy are being effective in the management of environmental and labour conditions given the complexity of the company's operations and its technology.

(iv)9.5a  
(iv)9.5d

3.2.42 The consultative committee and the employees representative in association with the Company Secretary carry out, on behalf of the board, tasks that are attributed in this policy manual and its supporting procedures. The result of the work is reported to, and considered by, the board at the Management Review Meetings. The board takes responsibility for the disclosures on social accountability to the public and in its the annual report and accounts.

(iv)9.5a  
(iv)9.5d

3.2.43 Effective social accountability monitoring against the SA8000:2001 standard and set targets on a continuous basis are essential components of the company management system. It is recognised, however, that the company and its directors cannot rely solely on the embedded monitoring processes within the company to discharge the social accountability under its corporate governance responsibilities.

(iv)9.5a  
(iv)9.5d

POLICY MANUAL  
CLAUSE  
REFERENCE

**COMPANY STRUCTURE AND RESPONSIBILITIES**  
Monitoring and Measuring Activities and Results

SA8000:2001  
CLAUSE  
REFERENCE

**3.2 WHAT WE DO CONTINUED** (iv)9.5

**Monitoring and Measuring** (iv)9.5d

3.2.44 The board of directors therefore regularly receive and review reports on social accountability targets, labour conditions and the supply chain objectives which are prescribed within the company social accountability and governance programmes as specific issues. (iv)9.5d

3.2.45 In addition, the board undertakes an annual assessment for the purposes of making its public statement on social accountability to ensure that it has considered all significant aspects of the business process. This includes the supply chain over which we are able to exercise an influence from a position of internal control. (iv)9.5d

3.2.46 The interpretation of the company social accountability in respect of the internal controls considered by the board includes all types of controls including those of an operational and compliance nature as well as internal financial controls and supply policy. (iv)9.5d

3.2.47 The board sets the directive for effective social accountability and has defined the process to be adopted for its review of the effectiveness of the controls in documented procedures. These encompass the scope and frequency of the measurements, the social accountability monitoring activities and the requirements for reporting by way of format, contents and frequency. (iv)9.5d



**COMPANY STRUCTURE AND RESPONSIBILITIES**  
 Procedures and Responsibilities

**3.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES**

The following documented procedures are maintained and implemented within the company for the effective implementation of this policy:

(iv)9.5  
 (iv)9.5a

SA01/001	Social Accountability Management System	(iv)9.0
SA02/001	Social Accountability Policy Management	(iv)9.1
SA02/002	Effective Implementation of Policy	(iv)9.1
SA03/001	Company Structure and Responsibilities	(iv)9.5a
SA03/002	Organisational Structure	(iv)9.5a
SA03/003	Roles, Responsibilities and Authorities	(iv)9.5a
SA03/004	Training and Information	(iv)9.5bc
SA03/005	Management Representative	(iv)9.3,
SA03/006	Employee Representative	(iv)9.4
SA13/001	Social Accountability Planning	(iv)9.5
SA13/006	Determining and managing the priorities	
SA13/007	Planning for Management of Individual Issues	
SA13/008	Monitoring, Measuring and Analysis	(iv)9.5d
SA14/001	Management and Control of the Supply Chain	(iv)9.6,
SA15/001	Analysis of Non-compliance & Corrective Action	(iv)9.10
SA16/001	Continuous Improvement	(iv)9.1c
SA17/001	Communications	(iv)9.12
SA18/001	Access, Audits and Assessments	(iv)9.13
SA19/001	Management Review	(iv)9.2
SA20/001	Company Social Accountability Records	(iv)9.14

**3.4 RESPONSIBILITY**

The Managing Director is responsible for this Social Accountability company structures and responsibilities Policy.

(iv)9.5a

**END OF SECTION 3**

## SOCIAL RESOURCE MANAGEMENT

Policy and Practice

- 4.0 POLICY** *(iv)9.1ad*
- Our management of resources will be designed to ensure that all requirements and arrangement that need resource in order to implement and maintain good social accountability practices within the business are identified, financed and provided for in accordance with documented and verifiable practices, thereby complying with clause 9.11 of SA8000:2001. *(i)b*
- 4.1 WHAT IS REQUIRED** *(iv)9.5*  
*(iv)9.11*
- Our company must implement remedial and corrective action and allocate adequate resources appropriate to the nature and severity of any non-conformance identified against the company's policy and/or the requirements of the social accountability standard SA8000:2001.
- 4.2 WHAT WE DO** *(iv)9.1d*  
*(iv)9.11*  
*(iv)9.5bc*
- In addition to being stewards of the facilities, products, equipment and employees, the following aspects of our company business system are also recognised as resources associated with good standards of social accountability:
- a) The management system itself;
  - b) Stewardship of the supply chain and the labour conditions involved;
  - c) Stakeholder, supplier, employee and customer recognition of our social accountability systems and achievements;
  - c) A trained, competent and informed work force and informed management team;
  - d) Effective employee training;
  - e) Employee and supply chain awareness of our company social accountability policy and objectives;
  - f) Employee development and associated labour conditions;
  - g) Our business supply chain and product management, process development its working environment;
  - h) Our documentation of systems and associated records;
  - j) The working environment and our contribution to it.
- 4.2.1 Resource requirements, adequacy and improvements are identified from: *(iv)9.11*
- a) Management reviews;
  - b) Customer and the supply chain expectations;
  - c) Assignment of personnel and suppliers to different tasks;
  - d) Internal meetings and business/product developments;
  - e) Improvements in our technology, techniques and markets;
  - f) Identification and analysis of non-conformance with our social accountability objectives and practices;
  - g) Corrective and preventive supply chain programmes;
  - h) Preventive social accountability measures;
  - i) Internal audits and reviews;
  - j) Manufacturing, production and material acquisition reviews;
  - k) Management of change.

**SOCIAL RESOURCE MANAGEMENT**  
 Human Resource Stewardship

- 4.2 WHAT WE DO CONTINUED** *(iv)9.1ad*
- 4.2.2 Human Resource Stewardship *(iv)9.5bc*  
 We seek to ensure that the conditions for human resources to contribute to our business and products is conducive to our social accountability policy and programme. *(iv)9.11*
- From our own process and the aspect known to us in the supply chain activities we determine the acceptable conditions which should be associated with our business and the products for which we hold the corporate governance of our business socially accountable. *(iv)9.5bc*  
*(iv)9.11*
- In order to achieve our objectives and to encourage contributions from our employees, we support the involvement of our people in our business and its social accountability management. We manage resources to achieve maximum output and utilisation of capacity which includes human resources by way of our employees, suppliers and contractors. In this respect our human resources are: *(iv)9.1d*  
*(iv)9.11*  
*(iv)9.5bc*
- a) Trained to improve the capacity and contribution we can derive from their employment;
  - b) Aware to ensure they are suitably informed to do the work;
  - c) Competent to ensure they are capable to the work
- It is part of our social accountability programme to ensure as far as is practical that our suppliers and those engaged in the supply chain share this commitment and objective. *(iv)9.8*  
*(iv)9.5bc*  
*(iv)9.11*
- 4.2.3 Maximising the use of resources, including human resources, is greatly assisted by giving recognition to those who use their ability to the greatest practical extent and advantage. This is recognised as a principle task of heads of department and managers. *(iv)9.5bc*  
*(iv)9.11*
- 4.2.4 The responsibilities and authority of our management is reviewed and developed as part of our human resources and social accountability policy. Individual and team objectives are assessed, targeted, recorded and evaluated to assist in management performance improvement and achievement of results. *(iv)9.5bc*  
*(iv)9.11*  
*(iv)9.1c*
- 4.2.5 We listen to employees concerns and provide two-way communication by continually reviewing the needs of our employees and contractors. This includes the encouragement of effective teamwork and cooperation. *(iv)9.10/11*  
*(iv)9.1c*  
*(iv)9.5bc*  
*(iv)9.1c*
- 4.2.6 The use of computers, e-mail and other information technology is available to provide for the management and progress of employee suggestions. Their opinions are actively investigated and reviewed. *(iv)9.5bc*  
*(iv)9.11*  
*(iv)9.10*
- 4.2.7 We use measurements of employee satisfaction for improvement, and review why people are leaving our employment. *(iv)9.5c*  
*(iv)9.5d*



**SOCIAL RESOURCE MANAGEMENT**  
 Contractors, Suppliers and Assignments

**4.2 WHAT WE DO CONTINUED**

**4.2.8 Contractors and Suppliers**

In addition to our suppliers and service providers with whom we have an established relationship, it is often necessary to subcontract and outsource tasks during high workloads and when known suppliers are overreaching their capacity.

(iv)9.1ad

(iv)9.5d

(iv)9.6

(iv)9.7/8

(iv)9.9

We must sometimes resort to the use of temporary employment of people, new suppliers and new sources of material to maintain the objectives and technology we set as a business.

(iv)9.6

(iv)9.7/8

(iv)9.9

The human resources used in the company are employees and contractors, both of which constitute a resource needed for the sustainability of the company, the products and the service with which we are credited

(iv)9.6

(iv)9.7/8

(iv)9.9

Control and development of suppliers, contractors and our own personnel is the responsibility of the Divisional Head to whom they are assigned.

(iv)9.6

(iv)9.7/8

(iv)9.9

They ensure those working without supervision or under instruction are suitably experienced and have the competence needed to complete the tasks assigned.

(iv)9.6

(iv)9.7/8

(iv)9.9

**4.2.9 Assignment of People**

Each individual in the company is assigned work which is within their capability to complete within the time scales required.

(iv)9.5

When an employee finds difficulty with the work assigned to them or can not complete the work within an agreed time, they should inform their line manager. Training is provided to all employees sufficient for them to be competent in the tasks to which they have been assigned. This can be under supervision until competence is achieved.

(iv)9.5

(iv)9.5bc

Each employee is assessed at the outset of their employment for what additional training is required and in which activities they are qualified or experienced. The employee's progress and status against each activity is monitored and evaluated on the following scale:

(iv)9.5

(iv)9.5bc

- a) Not competent or trainable;
- b) Requires training;
- c) Operational under Supervision;
- d) Operational without Supervision;
- e) Capable to train others;

Records are maintained and a matrix of activities is maintained by each head of department containing:

(iv)9.5

(iv)9.5bc

- a) A list of employees within the department;
- b) A listing of tasks to be undertaken by the department;
- c) The status of employees against the departments activities and tasks.



**SOCIAL RESOURCE MANAGEMENT**  
 Resource Facilities and Environments

**4.2 WHAT WE DO CONTINUED**

*(iv)9.1ad*

4.2.10 Resource Facilities and Attributes

*(iv)9.11*

The facilities needed to realise the social accountability standards and their attributes are provided, monitored and maintained to address any non-compliance within our labour management and associated product or process management systems.

We identify, provide, and maintain the required facilities to achieve and operate an effective management system that is socially accountable. These include:

*(iv)9.11*

- a) Effective and transparent social accountability system;
- b) Employee health, safety, security, welfare and cooperation;
- c) Work space and associated facilities;
- d) Effective internal and external communications;
- e) Technology, plant, equipment and associated know-how;
- f) Reliable IT data, computer hardware and software;
- g) Customers support and market credibility;
- h) Tools, fixtures, jigs and patterns;
- j) Stores and logistical facilities;
- k) Transport and distribution networks;
- l) Supporting management services.

For each aspect of our company process which involves the use of labour, we identify and provide the required training and resources to fulfil the obligations and policy of the company.

*(iv)9.11*

Otherwise we only allocate trained competent personnel to the operations and processes, which use these resources to achieve and maintain the integrity and quality of our products and services.

*(iv)9.11*

Our resource provisioning and development is proactive and does not rely entirely on addressing non-compliance. Our management systems incorporate and host a practice for preventive measures which forestall any shortfall in our social accountability in this respect.

*(iv)9.11*

The details of how facilities and requirements are identified to support the integrity of our operation and products are in our documented procedures.

*(iv)9.11*

**SOCIAL RESOURCE MANAGEMENT**  
 Resource Facilities and Environments

**4.2 WHAT WE DO CONTINUED**

(iv)9.11

4.2.11 Working Environment

(iv)9.11

Our work environment is made up of a combination of human and physical factors. We recognise that these influence motivation, satisfaction and performance of our employees and other people. When we have a good environment we work well. When our environment is poor or lacking in provisions our performance will suffer. Examples of the personnel factors affecting our work environment include:

(iv)3.1

- creative opportunity;
- working methods;
- safety rules and guidance;
- protective equipment;
- ergonomics;
- special facilities for people in special needs.

In addition to these factors we also consider those aspects of the company operations which provide us with a good environment in which to operate our systems and provide our services to process and produce the work we are credited with. These include:

(iv)9.11

(iv)3.1

- a) Information
- b) Suppliers and partnerships
- c) Finance
- d) Dependable management systems

We determine the environment and provide the required facilities needed to be responsible and socially accountable. This requires us to display an integrity over matters identified with a social concern or dimension. It is essential that we maintain our reputation in this respect as any failure to do so will be transmitted by a discerning public through an aversion towards the products and services we produce.

(iv)9.11

(iv)3.1

We therefore have both a moral and practical need to identify with good environments, acceptable labour conditions and facility maintenance within the company. This is extended through to the supply chain by which we need to achieve and operate an effective company policy. When the need for a change or improvement in the environment and resources is identified as something which is socially accountable and in need of correction, a report is produced requesting an improvement project to be raised and registered.

(iv)9.11

(iv)3.1

We know we can benefit from establishing relationships with suppliers and partners to promote and facilitate clear and open communication and to improve the working environment for people involved in the supply chain as well as creating value.

(iv)9.11

(iv)3.1

(iv)9.6

We also give consideration to the natural resources that can influence the performance of our environments. While such resources are often out of our direct control, they can have significant positive or negative effects on our results. We develop plans, and contingency plans, to ensure the availability of these resources and to prevent or minimise negative effects.

(iv)9.11

(iv)3.1

POLICY MANUAL  
 CLAUSE  
 REFERENCE

## SOCIAL RESOURCE MANAGEMENT

Procedures and Responsibilities

SA8000:2001  
 CLAUSE  
 REFERENCE

### 4.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES

The following documented procedures are maintained and implemented within the company for the effective implementation of this policy:

*(iv)9.5*  
*(v)9.5a*

SA02/001	Social Accountability Policy Management	(iv)9.1
SA02/002	Effective Implementation of Policy	(iv)9.1
SA03/004	Training and Information	(iv)9.5bc
SA04/001	Resources Management	(iv)9.11
SA05/001	Child Labour	(iv)1.0
SA06/001	Forced Labour	(iv)2.0
SA07/001	Health and Safety	(iv)3.0
SA13/001	Social Accountability Planning	(iv)9.5
SA13/004	Identifying threats and unacceptable conditions	
SA13/005	Identifying stakeholders needs	
SA13/006	Determining and managing the priorities	
SA14/001	Management and Control of the Supply Chain	(iv)9.6,
SA14/002	Supplier Practices and Records	(iv)9.7
SA16/001	Continuous Improvement	(iv)9.1c
SA17/001	Communications	(iv)9.12
SA19/001	Management Review	(iv)9.2
SA20/001	Company Social Accountability Records	(iv)9.14

### 4.4 RESPONSIBILITY

The Managing Director is responsible for this Social Accountability social resource management policy

*(iv)9.5*  
*(lv)9.5a*

**END OF SECTION 4**

## CHILD LABOUR AND EMPLOYMENT

Policy and Requirements

- 5.0 POLICY** (iv)9.1
- We will not employ child labour or and will deter the use of such practices within the supply chain to the best of our knowledge and ability. (iv)1.0  
(iii)7.0
- In doing so we shall seek to comply with clause (iv) 1.0 of the international standard SA8000:2001. (iv)1.1  
(i)b
- 5.1 WHAT IS REQUIRED**
- In order to effectively operate this policy we need to comply with the following international instruments, directives and conventions: (iv)1.0  
(ii)
- a) ILO Convention 138 Minimum Age & Recommendation & Recommendation 146
  - b) ILO Convention 182 Worst Forms of Child Labour
  - c) Universal Declaration of Human Rights
  - d) The United Nations Convention on the Rights of the Child.
- 5.1.1 In doing so the company will be prohibited from engaging in, or supporting, the use of child labour for which associated aspects are defined as follows: (iv)1.1
- Definition of Child:** (iii)7.0  
(iv)1.0
- Any person less than 15 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply. If, however, local minimum age law is set at 14 years of age in accordance with developing-country exceptions under ILO Convention 138, the lower age will apply.
- Definition of Young Worker:** (iii)8.0  
(iv)1.0
- Any worker over the age of a child as defined above and under the age of 18.
- Definition of Child Labour:** (iii)9.0  
(iv)1.0
- Any work by a child younger than the age(s) specified in the above definition of a child, except as provided for by ILO Recommendation 146.
- Definition of Remediation of Children:** (iii)11.0  
(iv)1.0
- All necessary support and actions to ensure the safety, health, education, and development of children who have been subjected to child labour, as defined above, and are dismissed
- 5.1.2 We are required to establish, document, maintain, and effectively communicate our policies and procedures for remediation of children found to be working in situations which fit the definition of child labour above. (iv)1.2
- We must provide adequate support to enable such children to attend and remain in school until no longer a child. (iv)1.2

**CHILD LABOUR AND EMPLOYMENT**  
 Requirements and Practices

- 5.1 WHAT IS REQUIRED CONTINUED** *(iv)9.5(iv)1.0*
- 5.1.3 We must establish, document, maintain, and effectively communicate to personnel and other interested parties policies and procedures for promotion of education for children covered under ILO Recommendation 146 and young workers who are subject to local compulsory education laws or are attending school. *(iv)1.3*
- This includes the means to ensure that no such child or young worker is employed during school hours and that combined hours of daily transportation (to and from work and school), school, and work time does not exceed 10 hours a day. *(iv)1.3*
- 5.1.4 We must not expose children or young workers to situations in or outside of the workplace that are hazardous, unsafe, or unhealthy. *(iv)1.4*
- 5.2 WHAT WE DO** *(iv)9.1d*
- We have established procedure SA05/001 in our social accountability documented management system to communicate the practice that we employ for the identification, action and remediation of children whose labour is discovered to be associated directly or indirectly with our company's products and services. *(iv)1.0*
- This procedure is an integral part of our documented management system which we maintain, operate and review as part of our social accountability programme. *(iv)9.1d*  
*(iv)1.0*
- 5.2.1 The policy and procedure is effectively implemented throughout the company through the practice of "Plan Do Check and Action" supported with our training, instruction, audit and review management plans. *(iv)9.1d*  
*(iv)1.0*
- 5.2.2 This section of our policy manual communicates the agreed policies and provides a view of the procedures that we employ for the discovery of child labour and for the remediation of children found to be working in such situations. *(iv)9.1d*  
*(iv)1.0*  
*(iv)1.2*
- 5.2.3 We communicate to our management and all our workers what the company procedure is and the action to be taken when practices of child labour are discovered. This requires that where child laborer is found, the documents stating the terms of employment and evidence of wage payments are identified and acquired. These are then provided to the appropriate or nominated authorities who are experts on children's welfare. *(iv)9.1d*  
*(iv)1.1*  
*(iv)1.0*
- 5.2.4 The management of our process and supply chain is responsive to our Corporate Social Responsibility practices. These make provision for adequate support for childrens' needs, when identified as having an association with the supply chain, to attend and remain in school until no longer a child. *(iv)9.1d*  
*(iv)1.0*  
*(iv)9.6*  
*(iv)1.3*
- 5.2.5 Our ultimate objective is to provide the means to ensure that no child or young worker associated with the supply chain is employed during school hours and that combined hours of daily transportation (to and from work and school), school, and work time does not exceed 10 hours a day. *(iv)9.1d*  
*(iv)1.2/3*

## CHILD LABOUR AND EMPLOYMENT

Requirements and Practices

### 5.2 WHAT WE DO CONTINUED

*(iv)9.5(iv)1.0*

5.2.6 The provision of schooling is also a matter of concern to us as a company seeking to do more business in underdeveloped areas whilst being vigilant on matters associated with the employment of children. The lack of suitable schooling facilities populates the idea that child labour is an acceptable practice and in the absence of suitable provision, employment of children is an acknowledged part of childhood.

*(iv)9.1d  
 (iv)1.0  
 (iv)9.5  
 (iv)1.2/3*

5.2.7 We encourage and look to our suppliers in the supply chain to ensure schooling facilities are provided and arrangements are in place for the education of children associated with their employees and company operations. The supplier must ensure that children can afford to attend school and when child labour has been discovered in their operations, action is taken to address the matter and supplement the child's loss of earnings within the family unit by appropriate means.

*(iv)9.1d  
 (iv)1.0  
 (iv)9.5  
 (iv)1.2/3  
 (iv)9.6*

5.2.8 We also seek through our Corporate Social Responsibility programme to provide for some basic support in such circumstances when none is available from other sources. We have within the provisions of our social accountability practices the means to encourage adequate support for the provision of schooling when identified as having an association with the supply chain.

*(iv)9.1d  
 (iv)1.0  
 (iv)9.5  
 (iv)1.2/3*

5.2.9 We establish, document, maintain, and effectively communicate to personnel and other interested parties these policies and procedures for promotion of education for children covered under ILO Recommendation 146 and young workers who are subject to local compulsory education laws or are attending school.

*(iv)9.1d  
 (iv)1.0  
 (iv)9.5  
 (iv)1.2/3*

5.2.10 In addition to the provisions of section 7 of this policy manual, on matters associated with children and young workers' health and safety, we take steps within our own manufacturing units and offices to ensure that children or young workers are not exposed to situations in or outside of the workplace that are hazardous, unsafe, or unhealthy. This includes:

*(iv)9.1d  
 (iv)1.0  
 (iv)9.5  
 (iv)1.4*

- a) Heavy lifting which is disproportional to their size;
- b) Operation of heavy machinery;
- c) Night working;
- d) Exposure to toluene, lead or toxic chemicals;
- e) Manufacture or use of weapons;
- f) Contact with products which glorify violence;
- g) Contact with or involvement with pornography;
- h) Tasks which jeopardize the morals of the child or young worker.

Similar requirements are imposed on our suppliers through the contracts and assessments we make as part of our social accountability practices. This applies when relative to the products and services that we are using and have an identity or association with our company product and service.

*(iv)9.1d  
 (iv)1.0  
 (iv)9.5  
 (iv)1.4  
 (iv)9.6*

POLICY MANUAL  
CLAUSE  
REFERENCE

## CHILD LABOUR AND EMPLOYMENT

Procedures and Responsibilities

SA8000:2001  
CLAUSE  
REFERENCE

- 5.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES** (iv)9.5  
(iv)1.0
- The following documented procedures are maintained and implemented within the company for the effective implementation of this policy:
- |          |              |         |         |
|----------|--------------|---------|---------|
| SA05/001 | Child Labour | (iv)1.0 | (iv)1.0 |
|----------|--------------|---------|---------|
- The following procures will also be of interest and support to the implementation of this policy: (iv)9.1d  
(iv)1.0
- |          |  |          |  |
|----------|--|----------|--|
| SA01/001 | Social Accountability Management System          | (iv)9.0  |  |
| SA01/002 | Introduction to Social Accountability            |          |  |
| SA01/003 | Social Accountability Laws and Conventions       |          |  |
| SA01/004 | Social Accountability Terms and Definitions      |          |  |
| SA02/002 | Effective Implementation of Policy               | (iv)9.1  |  |
| SA04/001 | Resources Management                             | (iv)9.11 |  |
| SA07/001 | Health and Safety                                | (iv)3.0  |  |
| SA11/001 | Working Hours                                    | (iv)7.0  |  |
| SA13/004 | Identifying threats and unacceptable conditions  |          |  |
| SA14/001 | Management and Control of the Supply Chain       | (iv)9.6, |  |
| SA14/002 | Supplier Practices and Records                   | (iv)9.7  |  |
| SA14/003 | Evidence of Supplier Compliance and Control      | (iv)9.8  |  |
| SA14/004 | Home-workers                                     | (iv)9.9  |  |
| SA15/001 | Analysis of Non-compliance and Corrective Action | (iv)9.10 |  |
| SA16/001 | Continuous Improvement                           | (iv)9.1c |  |
| SA17/001 | Communications                                   | (iv)9.12 |  |
| SA18/001 | Access, Audits and Assessments                   | (iv)9.13 |  |
| SA19/001 | Management Review                                | (iv)9.2  |  |
| SA20/001 | Company Social Accountability Records            | (iv)9.14 |  |
- 5.4 RESPONSIBILITY** (iv)9.5a  
(iv)1.0
- The Company Chairman is responsible for this Social Accountability child labour and employment policy.



## FORCED LABOUR AND EMPLOYMENT

Policy and Requirements

**6.0 POLICY**

We will not engage in, or support the use of, forced labour, nor shall personnel be required to lodge 'deposits' or identity papers upon commencing employment with the company.

(iv)9.5  
 (iv)2.0

In so doing we shall seek to comply with clause (iv) 2.0 of the international standard SA8000:2001.

(iv)9.5  
 (iv)2.0

**6.1 WHAT IS REQUIRED**

In order to effectively operate this policy we need to comply with the following international instruments, directives and conventions:

(ii)  
 (iv)2.0

- a) ILO Convention 29 Forced & Bonded Labour and 105
- b) ILO Convention 87 Freedom of Association
- c) ILO Convention 98 Right to Collective Bargaining
- d) Universal Declaration of Human Rights

In order to effectively operate this policy we must not:

(iv)2.0

- a) engage in or encourage the use of forced labour;
- b) require personnel to lodge 'deposits' or identity papers upon commencing employment with the company.

(iv)2.0

(iv)2.0

6.1.1 In doing so the company is prohibited from engaging in, or supporting, the use of forced labour for which associated aspects are defined as follows:

(iv)2.0

**Definition of forced labour:**

(iii)10.0

All work or service that is extracted from any person under the menace of any penalty for which said person has not offered him/herself voluntarily or for which such work or service is demanded as a means of repayment of debt.

6.1.2 We are required to establish, document, maintain, and effectively communicate our policies and procedures for imposed employment working in situations which fit the definition of forced labour above.

(iv)9.1d  
 (iv)9.5  
 (iv)2.0

6.1.3 We must establish, document, maintain, and effectively communicate to personnel and other interested parties policies and procedures for the eradication of forced labour and associated practices addressed in ILO convention 29 and 105.

(iv)9.1d  
 (iv)9.5  
 (iv)2.0

## FORCED LABOUR AND EMPLOYMENT

Requirements and Practices

- 6.2 WHAT WE DO** (iv)9.5  
(iv)2.0
- We have documented and established our procedure SA06/001 within the social accountability documented management system. This communicates the practice we need to employ to identify, action and remove all aspects associated with forced labour practices that directly or indirectly contribute to a company product or service. These documented procedures are an integral part of our management system which we maintain, operate and review as part of our social accountability programme.
- 6.2.1 Procedure SA06/001 is a documented practice for the eradication of forced labour which provides us with the plan in our “Plan Do Check and Action” cycle. This is effectively implemented by our system management, supported with our training, instruction, audit and review management plans. It is applied under our social accountability programme to eradicate forced labour and its contamination in our products and services. (iv)9.1d  
(iv)9.5  
(iv)2.0
- 6.2.2 In addition to procedure SA06/001 this section of our policy manual communicates the agreed policies that we employ for the discovery of forced labour and for the corrective measures we seek to operate and impose upon discovery. (iv)9.1d  
(iv)9.5  
(iv)2.0
- 6.2.3 When practices of forced labour are discovered the company requires that the documents stating the terms of employment and evidence of wage payments are identified and acquired. These are then provided to the appropriate or nominated authorities who are experts on employment law and employee welfare. (iv)9.1d  
(iv)9.5  
(iv)2.0
- 6.2.4 Our ultimate objective is to provide the means to ensure that no forced labour or products associated with the practice in the supply chain are supported via our business and placement of work. (iv)9.1d  
(iv)9.5  
(iv)2.0
- 6.2.5 We include in this policy all types and versions of forced labour which we and our customers find offensive. This includes but is not limited to: (iv)9.1d  
(iv)9.5  
(iv)2.0
- Works extracted from a person under a threat or penalty
  - Works extracted from a person by menace
  - Works extracted from a person who has is not engaged in employment of their own free will
  - Work demanded as a repayment of an imposed debt
  - Work resulting from compulsory prison or penal labour
  - Debt bondage or indentured serviette
- 6.2.6 Employees documents which facilitate their labour freedom must not be held as a means of perpetuating their servitude. We have no rights, and neither do our suppliers, to retain an employees original documents which inhibit freedom of employment such as: (iv)9.1d  
(iv)9.5  
(iv)2.0
- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>a) identification papers</li> <li>b) passport</li> <li>c) birth certificates</li> <li>d) work permits</li> <li>e) residency permits</li> <li>f) travel documents</li> <li>g) credit identities</li> </ul> | <p>Or any other documents that would limit the workers legal status or their freedom to travel or inhibit their choice to leave their current employment, on a permanent or temporary basis.</p> |
|--|--|

POLICY MANUAL  
 CLAUSE  
 REFERENCE

## FORCED LABOUR AND EMPLOYMENT

Procedures and Responsibilities

SA8000:2001  
 CLAUSE  
 REFERENCE

**6.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES** (iv)9.5  
 The following documented procedures are maintained and implemented within the company for the effective implementation of this policy: (iv)2.0

SA06/001	Forced Labour	(iv)2.0	(iv)2.0
----------	---------------	---------	---------

The following procures will also be of interest and support to the implementation of this policy: (iv)9.5

- |          |  |          |  |
|----------|--|----------|--|
| SA01/001 | Social Accountability Management System          | (iv)9.0  |  |
| SA01/002 | Introduction to Social Accountability            |          |  |
| SA01/003 | Social Accountability Laws and Conventions       |          |  |
| SA01/004 | Social Accountability Terms and Definitions      |          |  |
| SA02/002 | Effective Implementation of Policy               | (iv)9.1  |  |
| SA04/001 | Resources Management                             | (iv)9.11 |  |
| SA07/001 | Health and Safety                                | (iv)3.0  |  |
| SA11/001 | Working Hours                                    | (iv)7.0  |  |
| SA13/004 | Identifying threats and unacceptable conditions  |          |  |
| SA14/001 | Management and Control of the Supply Chain       | (iv)9.6, |  |
| SA14/002 | Supplier Practices and Records                   | (iv)9.7  |  |
| SA14/003 | Evidence of Supplier Compliance and Control      | (iv)9.8  |  |
| SA14/004 | Home-workers                                     | (iv)9.9  |  |
| SA15/001 | Analysis of Non-compliance and Corrective Action | (iv)9.10 |  |
| SA16/001 | Continuous Improvement                           | (iv)9.1c |  |
| SA17/001 | Communications                                   | (iv)9.12 |  |
| SA18/001 | Access, Audits and Assessments                   | (iv)9.13 |  |
| SA19/001 | Management Review                                | (iv)9.2  |  |
| SA20/001 | Company Social Accountability Records            | (iv)9.14 |  |

**6.4 RESPONSIBILITY** (iv)9.5a  
 The Managing Director is responsible for this Social Accountability forced labour and employment policy.

POLICY MANUAL  
 CLAUSE  
 REFERENCE

## HEALTH AND SAFETY

Policy and Requirements

SA8000:2001  
 CLAUSE  
 REFERENCE

### 7.0 POLICY

Our company is intent on providing and maintaining a safe and healthy environment for our employees and associates which contributes to and supports our social accountability.

(iv)9.1  
 (iv)3.0

In doing so we shall seek to comply with clause (iv) 3.0 of the international standard SA8000:2001.

(iv)9.1a  
 (iv)3.0

### 7.1 WHAT IS REQUIRED

Our company and our suppliers over whom we have an influence are required to provide a safe and healthy working environment.

(iv)9.1a  
 (iv)3.0

This incorporates making provision and taking adequate steps to prevent accidents and injury to health arising out of or associated with work and business we do.

(iv)9.1a  
 (iv)3.0

7.1.1 We must contribute to this environment by the use of preventive measures and minimising, so far as is reasonably practicable, the causes of hazards inherent in our working environment.

(iv)9.1a  
 (iv)3.1

7.1.2 We must appoint a senior management representative who is responsible for the health and safety of all personnel and accountable for the implementation of the Health and Safety elements of the international social accountability standard SA8000:2000.

(iv)9.1a  
 (iv)3.2

7.1.3 We must ensure that all personnel receive regular and recorded health and safety training and that such training is repeated for new and reassigned personnel.

(iv)9.1a  
 (iv)3.3

7.1.4 We must establish systems to detect, avoid or respond to potential threats to the health and safety of all personnel.

(iv)9.1a  
 (iv)3.4

7.1.5 We are required to provide, for use by all personnel, clean bathrooms, access to potable water, and if appropriate, sanitary facilities for food storage.

(iv)9.1a  
 (iv)3.5

7.1.6 The company concern for welfare must ensure that, when provided, dormitory facilities are clean, safe, and meet the basic needs of our personnel.

(iv)9.1a  
 (iv)3.6

POLICY MANUAL  
 CLAUSE  
 REFERENCE

## HEALTH AND SAFETY

Requirements and Practices

SA8000:2001  
 CLAUSE  
 REFERENCE

### 7.2 WHAT WE DO

We aim to be recognised as a respected employer and authority in which connection we recognise the importance of the health and safety of all our employees and other parties affected by our activities.

(iv)9.1d  
 (iv)3.0

Our employees and management are committed to complying with our Health and Safety Policy by minimising hazards and risks in the workplace. We seek to improve our health and safety practices by maximising the use of technologies which contribute to Occupational Health and Safety whilst reducing the need to employ practices, materials or processes which are detrimental or incur risks to the Health and Safety of those involved.

(iv)9.1d  
 (iv)3.0  
 (iv)3.1/2  
 (iv)3.3/4  
 (iv)3.5  
 (iv)3.6

#### 7.2.1 Management System

We have established and maintained a Health and Safety Management System in accordance with recognised international standards.

(iv)9.1d  
 (iv)3.0

This has been adopted as a directive for the conduct and continual improvement of our Health and Safety management practices which is communicated to all employees to ensure their well-being and that of stakeholders and other parties affected by our activities .

(iv)9.1c  
 (iv)3.0



**HEALTH AND SAFETY**  
 Requirements and Practices

**7.2 WHAT WE DO CONTINUED**

(iv)9.1

**7.2.2 Health and Safety Objectives**

(iv)9.1cd  
 (iv)3.0

We have set Occupational Health and Safety Objectives at our management review meetings which will contribute to, or advance, the company social accountability directives. These include:

- a) To establish a documented management system for Occupational Health and Safety issues;
- b) Prioritise and continually improve our Health and Safety performance and management system;
- c) Comply with, and exceed when relevant, all applicable statutory legislative and Health and Safety requirements and set good specifications where none exist;
- d) Document, implement and maintain the Occupational Health and Safety Management through a committed and informed management team;
- e) Communicate our Occupational Health and Safety management intentions to our workforce;
- e) Openly review the results and opportunities of our Health and Safety performance;
- g) To set, audit, review and reset business specific Health and Safety targets so the policy remains relevant and appropriate to current and future activities and operation.

These objectives are matched with the policy's directives and measured by ensuring they are converted into identifiable targets which are monitored and pursued at all levels within the organisation.

(iv)9.1d  
 (iv)3.0  
 (iv)9.5d

They are reviewed and changed only after thorough technical evaluation and assessment.

(iv)9.2  
 (iv)3.0

## HEALTH AND SAFETY

Requirements and Practices

### 7.2 WHAT WE DO CONTINUED

(iv)9.1d

#### 7.2.3 Planning and Communications

(iv)9.1d

Our health and safety management policy and procedures are documented and communicated through company management manuals. These provision us to establish the company structure and practices to effectively implement our health and safety plan which includes:

(iv)3.0  
 (iv)9.5  
 (iv)3.4

- a) A commitment by the company to provide a safe and healthy working environment; (iv)3.1
- b) Provision and resources to take adequate steps to prevent accidents and injury to health, arising out of or associated with the work and business we do; (iv)3.1
- c) The use of preventive measures and minimising, so far as is reasonably practicable, the causes of hazards inherent in our working environment; (iv)3.4
- d) The appointment of a senior management representative responsible for the health and safety of all personnel; (iv)3.2
- e) Regular and recorded health and safety training for all personnel with provision for such training to be repeated for new and reassigned personnel; (iv)3.3
- f) Establishing practices and assessments to detect, avoid and respond to the potential threats to the health and safety of all personnel; (iv)3.4
- g) Welfare facilities including access to potable water and when appropriate, bathrooms, sanitary food storage, dormitory facilities which are clean and safe and meet the basic needs of our personnel. (iv)3.5/6

#### 7.2.4 Hazard Identification

(iv)3.4

We establish and maintain procedures for the ongoing identification of hazards, the assessment of risks, and the implementation of necessary control measures which include but are not limited to:

- a) Latent and benign health hazards
- b) Exposure to chemicals, gases and radiation
- c) Exposure to asbestos and dust
- d) Handling of Electricity
- e) Machine operation safety and maintenance
- f) Steam pressure, vessels and explosives
- g) Fire emergencies
- h) Hygiene and sanitation

We ensure that the results of our assessments and the effects of these controls are considered when setting the objectives. Typically fire is a significant risk within the workplace and so alarms and extinguishers are a prerequisite for all areas of work and permanent places of employment.

(iv)3.4



## HEALTH AND SAFETY

Requirements and Practices

### 7.2 WHAT WE DO CONTINUED

(iv)9.1d

#### 7.2.5 Responsibilities and Representatives

(iv)3.2

Our documented Occupational Health and Safety management has defined in the health and safety policy manual the responsibilities for policy, procedures, implementation and records associated with our Health and Safety procedures and practices.

This establishes managements roles, responsibility and authorities in order to facilitate effective Health and Safety management. The management structure included in the manual gives directives and an overview of those responsible for policy and implementation of our programmes.

(iv)3.2

The management is provided with the required resources essential for the implementation and control of our Occupational Health and Safety practices and procedures. Those involved in the management and administration of our company are authorised by the Managing Director to acquire and allocate resources needed to effectively implement our Health and Safety policy.

(iv)3.2

The Management Team is constructed of informed competent members to maintain a watch and brief on our Health and Safety plan and effectively communicate our policy to all levels within the company.

(iv)3.2

Reporting to the Managing Director is the Health and Safety Representative who administers the day to day activities of the Occupational Health and Safety Programmes and Plans.

(iv)3.2

The Health and Safety Representative is tasked with ensuring that our Occupational Health and Safety management system's requirements are established, implemented and maintained in accordance with OHSAS18001:1999 and the Health and Safety aspects of the international standard for social accountability SA8000:2001.

(iv)3.2

The representative is also required to report on the performance of the Health and Safety management system for review and as a basis for improvement and allocation of resources.

(iv)3.2

## HEALTH AND SAFETY

Requirements and Practices

### 7.2 WHAT WE DO CONTINUED

(iv)9.1d

#### 7.2.7 Training and Awareness

(iv)3.3

We maintain a programme for Occupational Health and Safety Training and instruction which is integrated into the training programme administered by the Health and Safety Representative.

Occupational Health and Safety training needs are identified by application of the company Health and Safety plan and the communication of our policy. This ensures that all personnel whose work has an impact upon health or safety in the workplace have received appropriate training identified by way of records of instruction, experience, proven ability or qualification. Such employees are considered competent to perform the tasks assigned to them without incurring unnecessary risk to themselves or others. When training or instruction is required, then such training requirements are identified, quantified and planned into the current training programme.

(iv)3.3

We establish and maintain training procedures and keep records of subjects and employees who are involved in the Health and Safety issues and aspects of our operations. This ensures that each relevant function and level is aware of the importance of conformance with our current Occupational Health and Safety policy, procedures and the requirements of our Occupational Health and Safety management system.

(iv)3.3

Each member of the company is a contributor to the Occupational Health and Safety Management effort. This ensures all employees and functions are made aware of the significant Health and Safety impacts, actual or potential, of their tasks and the Health and Safety benefits of improved personal performance.

(iv)3.3

The Health and Safety Representative is responsible for the dissemination of information, agreements and policy in respect of Occupational Health and Safety issues. This ensures the managers and Directors roles and responsibilities in achieving conformance and improvements with our Health and Safety policy and procedures, is understood, accepted and effectively discharged. This is done in line with the requirements of the Health and Safety management system, including emergency response requirements and the preparations that we make to provide for all foreseeable Health and Safety problems.

(iv)3.3

Induction and review of employees' experience and development provides for instruction when deviation from policy procedures, responsibilities and careless behaviour is encountered. This cannot be permitted within the company due to the potential consequences of such errors. Our Management Personnel involved in Health and Safety activities undergo a programme of regular review and instruction to become competent on the basis of appropriate education, training and/or experience which we provide within our training and development plan.

(iv)3.3

**HEALTH AND SAFETY**  
 Requirements and Practices

**7.2 WHAT WE DO CONTINUED**

(iv)9.1d

**7.2.8 Welfare and Facilities**

(iv)3.5

We ensure that all our employees and associates have have reasonable access at all times to potable water in working, sleeping and eating areas. The water sources are tested to ensure that it is safe to drink.

We acknowledge our obligation to provide washing and clean toilet facilities. These are provided in working and rest areas which are checked at planned intervals to ensure that they are suitably maintained and adequate for the intended purpose.

(iv)3.5

Food and water storage is also provided when applicable and is checked to ensure that there is no contamination from air or chemical residue on containers or in the areas assigned to the welfare arrangements of the employees.

(iv)3.5

All accommodation and dormitory facilities which we provide are checked on a scheduled basis to ensure that they are clean, not overcrowded, well ventilated and have provisions by way of eating implements, toilets, shower and laundry.

(iv)3.5/6

Hygiene and environment are principle considerations in matters of welfare. This extends to the arrangements for the stowage and safe disposal of rubbish, pest control measures, personal security and crime prevention.

(iv)3.5/6

Exposure to heat and cold is monitored and the safety provisions for such conditions are observed. Prolonged exposure to heat or cold with or without suitable protective clothing and equipment is not advocated or tolerated within the company.

(iv)3.5

Noise pollution and exposure is identified and removed whenever possible. When this is a temporary inconvenience of a process such as maintenance or building works, the pollution is controlled by way of permits and application.

(iv)3.5

**7.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES**

(iv)9.5

The following documented procedures are maintained and implemented within the company for the effective implementation of this policy:

(iv)9.1d

SA07/001 Health Safety and Social accountability (iv)3.0

The following procures will also be of interest and support to the implementation of this policy:

(iv)9.5

(iv)9.1d

SA03/004	Training and Information	(iv)9.5bc
SA13/004	Identifying threats and unacceptable conditions	
SA13/005	Identifying stakeholders needs	
SA13/006	Determining and managing the priorities	
SA15/001	Analysis of Non-compliance and Corrective Action	(iv)9.10
SA18/001	Access, Audits and Assessments	(iv)9.13
SA19/001	Management Review	(iv)9.2
SA20/001	Company Social Accountability Records	(iv)9.14

POLICY MANUAL  
CLAUSE  
REFERENCE

## HEALTH AND SAFETY

### Procedures and Responsibilities

SA8000:2001  
CLAUSE  
REFERENCE

#### 7.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES

(iv)9.1

Reference should also be made to the company Occupational Health and Safety Documented System which comprises of:

(iv)3.0  
(iv)9.1d

- |    |  |   |                                 |
|----|--|---|---------------------------------|
| a) | Policy Statement                       | Documenting the company OH&S commitments, authority and the framework for improvement and implementation  | (iv)3.0<br>(iv)9.1d             |
| b) | Policy Manual                          | Containing policy, responsibilities and an overview of our Occupational Health and Safety Management System.  | (iv)3.0<br>(iv)9.1d             |
| c) | Procedures Manual                      | Containing the procedures specified in the Policy Manual also administrative and sequential procedures, detailing the interaction of our processes, also the health and safety management system itself.              | (iv)3.0<br>(iv)9.1d             |
| d) | Documented Advice/<br>Experience       | We maintain a library and inventory of employee advice and induction prescriptions, tool box talks, documented know-how and advice with which to develop and contribute to the training of employees and contractors. | (iv)3.0<br>(iv)9.1d             |
| e) | OH&S Plans,<br>Programmes<br>and Aides | The documented tool that we employee within our management system consists of the programmes, schedules and check lists controlled within our forms register.   | (iv)3.0<br>(iv)9.1d             |
| f) | Product Data<br>(COSHH) Forms          | Materials, equipment and consumables used in our process are the subject of data sheets held within our library.  | (iv)3.0<br>(iv)9.1d             |
| c) | Task Instructions                      | Giving specific instruction for individual tasks and duties required to be undertaken consistently.   | (iv)3.0<br>(iv)9.1d             |
| d) | Work Instructions                      | Containing detail of individual jobs and operations needed for the effective operation and control processes, products and services supplied or undertaken.   | (iv)3.0<br>(iv)9.1d             |
| e) | OH&S Records                           | To provide reference points for required data and to give us evidence of the effective implementation of our systems.   | (iv)3.0<br>(iv)9.1d<br>(iv)9.14 |

#### 7.4 RESPONSIBILITY

The Managing Director is responsible for this Social Accountability Health and Safety policy.

(iv)9.5a  
(iv)3.0

**END OF SECTION 7**

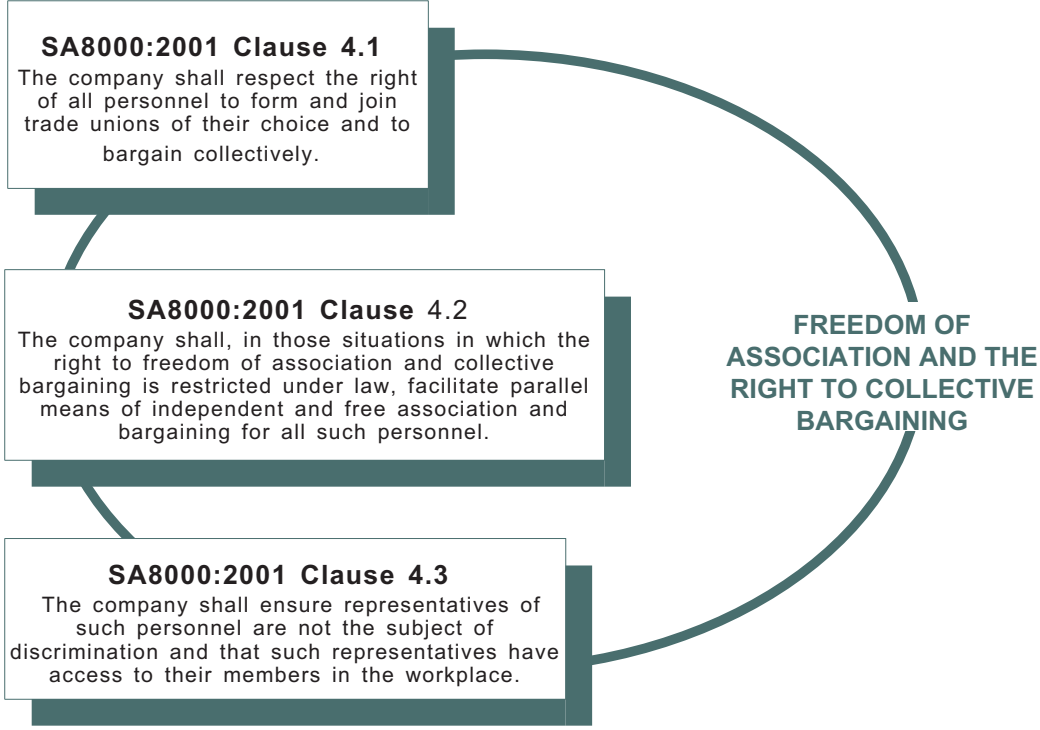
POLICY MANUAL  
CLAUSE  
REFERENCE

## FREEDOM OF ASSOCIATION & RIGHT TO COLLECTIVE BARGAINING

Policy and Requirements

SA8000:2001  
CLAUSE  
REFERENCE

- 8.0 POLICY** (iv)9.1  
(iv)4.0
- We shall at all times respect the right of all personnel to form and join trade unions of their choice and to bargain collectively.
- In so doing we shall seek to comply with clause (iv) 4.0 of the international standard SA8000:2001. (iv)9.1a  
(iv)4.0
- 8.1 WHAT IS REQUIRED** (iv)9.1a  
(iv)4.0
- We are required to respect the right of all company personnel to form and join trade unions of their choice.
- 8.1.1 In addition we are to respect the rights of all employees to seek improvements in the conditions and remuneration provided for which all employees and their appointed representative are entitled to bargain collectively. (iv)9.1a  
(iv)4.1
- 8.1.2 We are required to facilitate parallel means of independent and free association and bargaining when the right to freedom of association and collective bargaining for all such personnel is restricted under law. (iv)9.1a  
(iv)4.2
- 8.1.3 We must ensure that representatives of such personnel are not the subject of discrimination and that such representatives have access to their members in the workplace. (iv)9.1a  
(iv)4.3



## FREEDOM OF ASSOCIATION & RIGHT TO COLLECTIVE BARGAINING

Requirement and Practices

- 8.2 WHAT WE DO** *(iv)9.1d*  
*(iv)4.0*
- Within our own company the terms of conditions for employment specify the rights of the employee to be a member of a Trade Union and establishes their rights of association.
- The individual's right to form or join a Trade Union is fully acknowledged by our industrial relations record. All employees of the company have the ability to exercise their rights to freedom of association and are encouraged to do so unless restricted by local or national law. *(iv)9.1d*  
*(iv)4.0*  
*(iv)4.1*
- Our management have consultation on a regular basis with local representatives and we are represented via our membership of employer federations, chambers of commerce and association membership with regional and national trade union representatives. *(iv)9.1d*  
*(iv)4.0*  
*(iv)4.1*
- 8.2.1 Legal Challenges and Obstructions** *(iv)9.1d*  
*(iv)4.2*
- Our policy on this aspect of social accountability has to accommodate the varying limits and legal acknowledgments of the freedom to associate in a trade union activity.
- Our markets are developing into areas from which we take our supplies and business where government tolerance and understanding of such matters is limited. *(iv)9.1a*  
*(iv)4.2*
- Some national governments have imposed legal limitations on workers' right to establish and join organisations of their own, in particular trade unions. *(iv)9.1a*  
*(iv)4.2*
- In some countries in which we are operating, free and independent trade unions are either forbidden or made impossible by state interference. *(iv)9.1a*  
*(iv)4.2*
- It is only in such cases that we look to the use and application of providing for collective bargaining and rights of association/representation via parallel means. *(iv)9.1a*  
*(iv)4.2*
- 8.2.2 Facility for Parallel Means** *(iv)9.1a*  
*(iv)4.2*
- Where these rights are "restricted under law" we facilitate parallel means of independent and free association and collective bargaining.
- This means that even where these rights are restricted under law, we make it clear to our workers that we are willing to engage them in a collective dialogue through a representative structure and that we are willing to provide them with the opportunity to do so, if workers so wish. *(iv)9.1a*  
*(iv)4.2*

## FREEDOM OF ASSOCIATION & RIGHT TO COLLECTIVE BARGAINING

Requirement and Practices

**8.2 WHAT WE DO CONTINUED** *(iv)9.1d*

8.2.3 No Discrimination *(iv)9.1d*  
 We try to ensure that all employees enjoy adequate protection *(iv)4.0*  
 against acts of anti-union discrimination in respect of their *(iv)4.1*  
 employment. This protection applies more particularly in respect of *(iv)5.0*  
 acts calculated to:

- a) make the employment of a worker subject to the condition that they shall not join a union or shall relinquish trade union membership;
- b) cause the dismissal of or otherwise discriminate against a worker by reason of union membership or because of participation in union activities.

8.2.4 Social Dialogue *(iv)9.1d*  
 It is our intention to promote ongoing, constructive social dialogue *(iv)4.0*  
 between workers and our management. *(iv)4.1*

Our policy requires that management permit, without any direct or *(iv)9.1d*  
 indirect impediment or negative consequences for any workers, *(iv)4.2*  
 non-violent efforts towards worker organisation, trade union  
 membership, and collective bargaining.

In accordance with this policy we do not promote competing *(iv)9.1a*  
 workers' organisations or seek to control the activities of workers' *(iv)4.2*  
 organisations.

We acknowledge that we have no duty to establish a trade union *(iv)9.1a*  
 where there is no current representation. We do however seek to: *(iv)4.2*

- a) protect workers' right to organise and represent themselves in collective negotiation with management;
- b) protect against international trends in discrimination against worker representatives and members of worker organisations, particularly trade unions;
- c) ensure that management does not unreasonably refuse to bargain collectively with workers' organisations that have been properly established.

We seek to bargain with our workers in good faith and at all times *(iv)9.1a*  
 as part of our commitment to social accountability and governance *(iv)4.1*  
 of the company interests. However in countries where some or all  
 aspects of workers' rights to freedom of association and collective  
 bargaining are restricted or prohibited by law we have a special  
 obligation. Here we enable workers (if they so choose) to develop  
 forms of collective representation and to  
 engage in collective negotiation with our management. We do not  
 seek to influence or interfere with workers' discussions, voting  
 processes or related activities in such situations.



## FREEDOM OF ASSOCIATION & RIGHT TO COLLECTIVE BARGAINING

Requirement and Practices

### 8.2 WHAT WE DO CONTINUED

*(iv)9.1d*

#### 8.2.5 Employee Difficulties and Discrimination

*(iv)9.1d*

The vast majority of countries in which we do business and conduct employment do not forbid union membership. In practice, however, a great number of indirect restrictions or bureaucratic hurdles can make it exceedingly difficult for workers to exercise their free association and collective bargaining rights.

*(iv)4.0*

*(iv)4.1*

*(iv)4.3*

Employees and associates working within the company enjoy adequate protection against any acts of interference from management in respect of their establishment, functioning or administration when furthering and defending the interests of workers or of their employers.

The chief purpose of this policy is to make sure workers are able to choose how they want to organise, express their concerns and collectively negotiate solutions with our management when there are no other means to do so.

*(iv)9.1d*

*(iv)4.0*

*(iv)4.3*

Employer's discriminatory action against workers, based on union membership and activities, is a recognised problem in our suppliers' workplaces and occasionally within our own process and sites.

*(iv)9.1d*

*(iv)4.3*

Our management are aware, however, that it is extremely difficult to establish whether or not the union membership or any other worker organising activities are the real cause for punitive actions.

*(iv)9.1a*

*(iv)4.3*

The recognition and eradication of this problem is an aspect within our corrective and preventive social accountability practices. It is identified from:

*(iv)9.1a*

*(iv)4.3*

- a) employees dismissal;
- b) serious prejudice against a worker;
- c) transfer, relocation and demotion;
- d) denial of remuneration, social benefits and/or vocational training.

Our social accountability programme is implemented to prohibit any form of corporate anti-union discrimination, both at the beginning and during the course of an individual's employment.

*(iv)9.1a*

*(iv)4.1*

We therefore have installed three documented procedures into our social accountability practices to assist in the identification of discrimination against Trade Union members and representatives. These are:

*(iv)9.1a*

*(iv)4.1*

SA08/001 Freedom of Association & Right to Collective Bargaining  
SA09/001 Discrimination  
SA10/001 Disciplinary Practices

*(iv)4.0*

*(iv)5.0*

*(iv)6.0*

## FREEDOM OF ASSOCIATION & RIGHT TO COLLECTIVE BARGAINING

Requirement and Practices

### 8.2 WHAT WE DO CONTINUED

*(iv)9.1d*

#### 8.2.6 Assistance and Recognition

*(iv)9.1d*

Due to such difficulties and the need for our management to exercise its personnel administration with recourse to correction and discipline measures, we have integrated assistance and recognition practices into our social accountability programme. This incorporates a check against each of the following directives:

*(iv)4.0*

*(iv)4.1*

*(iv)4.2*

*(iv)4.3*

- Workers must be able to establish and join organisations of their own choosing without previous authorisation;
- Workers' organisation constitutions and rules must be independent of management influence;
- Full freedom should be demonstrated in the election of the workers' organisations representatives;
- Adequate facilities must be provided by us to enable the elected representatives to discharge their duties promptly and efficiently;
- Workers' organisations activities and programmes must be administered without any management interference;
- Records of the workers' organisation dissolution, suspension or disqualification must be made freely available;
- Organisations must be capable of joining federations and confederations to affiliate with international organisations of workers.
- Elected representatives must be recognised in collective bargaining on behalf of the workers;
- Officers of the federations and confederations must be permitted to engage in collective bargaining on behalf of the workers if the workers so choose;
- All restrictions on negotiable issues must be removed;
- Workers must be able to voluntarily apply, or not apply, to join a trade union;
- No worker can be discriminated against or dismissed by reason of union membership or activity;
- No attempt is to be made to bring the workers' organisations under our control;
- We must not attempt to promote the establishment of any rival workers' organisations.

In support of these directives we maintain accessible and open records of all industrial action including any strikes or disputes in the workplace. These records include the reasons for any strike and how was it settled.

*(iv)9.1d*

*(iv)4.1/5.0*

*(iv)4.2/5.0*

*(iv)4.3/5.0*

POLICY MANUAL  
 CLAUSE  
 REFERENCE

SA8000:2001  
 CLAUSE  
 REFERENCE

## FREEDOM OF ASSOCIATION & RIGHT TO COLLECTIVE BARGAINING

Procedures and Responsibilities

### 8.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES

The following documented procedures are maintained and implemented within the company for the effective implementation of this policy:

*(iv)9.1d*  
*(iv)4.0/1*  
*(iv)4.2/3*

SA01/003	Social Accountability Laws and Conventions	
SA03/006	Employee Representative	(iv)9.4
SA04/001	Resources Management	(iv)9.11
SA08/001	Freedom of Association & Right to Collective Bargaining	(iv)4.0
SA09/001	Discrimination	(iv)5.0
SA10/001	Disciplinary Practices	(iv)6.0
SA13/008	Monitoring, Measuring and Analysis	(iv)9.5d
SA14/001	Management and Control of the Supply Chain	(iv)9.6,
SA14/002	Supplier Practices and Records	(iv)9.7
SA14/003	Evidence of Supplier Compliance and Control	(iv)9.8
SA14/004	Home-workers	(iv)9.9
SA15/001	Analysis of Non-compliance and Corrective Action	(iv)9.10
SA18/001	Access, Audits and Assessments	(iv)9.13
SA19/001	Management Review	(iv)9.2
SA20/001	Company Social Accountability Records	(iv)9.14

### 8.4 RESPONSIBILITY

The Managing Director is responsible for this freedom of association & right to collective bargaining Policy Management Policy.

*iv)9.5a*  
*(iv)4.0/1*  
*(iv)4.2/3*

**END OF SECTION 8**

**DISCRIMINATION**  
 Policy and Requirements

**9.0 POLICY**

We shall seek to discourage and eradicate any form of discrimination in our company other than on the basis of personal ability which we seek to develop and reward.

(iv)9.1  
 (iv)5.0

In doing so we shall seek to comply with clause (iv) 5.0 of the international standard SA8000:2001.

(iv)9.1a  
 (iv)5.0

**9.1 WHAT IS REQUIRED**

We are required to develop a culture and foster an attitude in which the unacceptable practices of discrimination is prohibited. This is to apply in all aspects of our business and personnel management other than in the evident reward for individual merit.

(iv)9.1a  
 (iv)5.0/1  
 (iv)5.2/3

**Definition of Discrimination:**

Discrimination refers to any distinction, exclusion or preference which has the effect of nullifying or impairing equality of opportunity or treatment. A merit or performance-based recognition (raise or bonus) is not by itself discriminatory.

9.1.1 We must not engage in or support discrimination in any of the following activities associated with the business or conduct of the company:

(iv)9.1a  
 (iv)5.1

- |                        |                                      |
|------------------------|--------------------------------------|
| a) hiring,             | When it is based in any degree       |
| b) remuneration,       | on race, caste, national origin,     |
| c) access to training, | religion, disability, gender, sexual |
| d) promotion,          | orientation, union membership,       |
| e) termination         | political affiliation or age.        |
| f) retirement,         |                                      |

9.1.2 We must not interfere with the exercise of the rights of personnel to observe tenets or practices or to meet needs relating to:

(iv)5.2

- a) race,
- b) caste,
- c) national origin,
- d) religion,
- e) disability,
- f) gender,
- g) sexual orientation,
- h) union membership,
- j) political affiliation.

9.1.3 We must discourage and prohibit unacceptable behaviour, including gestures, language, and physical contact, that is sexually coercive, abusive or exploitative.

(iv)5.3  
 (iv)9.1a

9.1.4 As part of our policy on discrimination and in line with our practices outlined in section 8 of this manual our company must respect the right of all company personnel to form and join trade unions of their choice and accommodate their rights to freedom of association.

(iv)5.3  
 (iv)4.1/2/3

**DISCRIMINATION**  
 Requirement and Practices

**9.2 WHAT WE DO CONTINUED**

- 9.2.5 We seek to ensure equal and respectful treatment for all workers in all matters. Employees are employed, trained, promoted and compensated solely on the basis of their job performance and they are free from all types of indecent verbal, physical and sexual harassment and other discriminatory practices. (iv)9.1d  
(iv)5.0
- 9.2.6 To develop this directive we seek to ensure that “equal pay for equal work” is practiced and is evident from the practicing of our social accountability in each division and branch of our operation. (iv)9.1d  
(iv)5.0  
(iv)5.1
- 9.2.7 We review regularly the opportunities each worker has for promotion to higher paid work, access to overtime hours and other benefits. (iv)9.1d  
(iv)5.0  
(iv)5.1
- 9.2.8 Although we operate in a global environment and variations according to areas and countries have an impact on what can be achieved in this respect, we do seek to eradicate preference being practiced for anything other than individual ability and commitment. In this respect we do seek to address concerns arising from:
  - a) Cultural norms and discrimination;
  - b) Two-way discrimination in one factory;
  - c) Positive discrimination;
  - d) Changing entrenched discrimination norms;
  - e) Discrimination against pregnant women;
  - f) Sexual harassment;
  - g) Discrimination against migrant workers;
  - h) Age discrimination;
  - j) Discrimination against trade unions;
  - k) Discrimination against workers with disabilities.
- 9.2.9 Our policy and practices for non-discrimination are communicated and supported through documented procedures available and applicable to all personnel. This policy is implemented within our social accountability management system. Compliance is achieved through audits, assessments and reviews which identify that the activity of our policy is being achieved and any corrective measures have been accompanied by relevant disciplinary measures. (iv)9.1ad  
(iv)5.1
- 9.2.10 All workers are given advice and understand how to file a complaint or raise concerns about any management action that violates this policy. Formal records are maintained of workers’ remuneration, training and competence which indicates the equal pay for work of equal value and provides documentary evidence of compliance. (iv)9.1ad  
(iv)5.2  
(iv)9.10  
(iv)5.3

**DISCRIMINATION**  
 Requirement and Practices

**9.2 WHAT WE DO CONTINUED**

- 9.2.11 Job announcements and advertisements concerning the company are posted prominently in the workplace and must not specify race, gender or other personal characteristics of potential employees. Announcements are also published and care is taken not to place information on opportunities or other company options exclusively in single gender or ethnic group locations. (iv)9.1d  
(iv)9.1d  
(iv)5.0  
(iv)5.1  
(iv)5.3
- 9.2.12 Records for hiring, promotion, compensation and access to training support workers, union members and representatives are maintained as a social accountability record to give support to reviews and audits as evidence of compliance. (iv)9.1d  
(iv)9.14  
(iv)5.0
- 9.2.13 Records of rejected applicants, union representative and manager testimonies and other evidence of compliance are kept. The management staff diversity is also reviewed and assessed to ensure equal opportunities for advancement. (iv)9.1d  
(iv)4.2  
(iv)9.1a  
(iv)5.1
- 9.2.14 It is our practice to recruit and promote the opportunities for employment in our company across a diverse worker population and to include members from a range of social/ethnic groups that comprise the local population. The records that we maintain are reviewed to detect any possible discrimination which includes an absence of minorities in the local population. (iv)9.1a  
(iv)5.1
- 9.2.15 We facilitate and encourage the observance of religious holidays. (iv)5.1
- 9.2.16 Company records are maintained and reviewed to demonstrate that pregnant and nursing women are employed and that they receive maternity (and nursing mothers) benefits as stipulated under national or local law. (iv)9.14  
(iv)5.2
- 9.2.17 All local and national legal and statutory requirements are noted and observed in respect of non-discrimination in the workplace which include but are not limited to the following: (iv)9.1a  
(iv)5.2

  - a) Equal opportunity in employment;
  - b) Equal pay for equal work;
  - c) Maternity protection and promotion of family responsibilities;
  - d) Occupational health and safety.
- 9.2.18 As a company who respects the individual and the right to work without hindrance or intimidation we do not allow behaviour, gestures, language and physical contact that is sexually coercive, threatening, abusive or exploitative to be conducted within the company premises. (iv)9.1a  
(iv)5.3

## DISCRIMINATION

Procedures and Responsibilities

### 9.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES

The following documented procedures are maintained and implemented within the company for the effective implementation of this policy:

*(iv)9.1d*  
*(iv)5.0/1*  
*(iv)5.2/3*

SA01/001	Social Accountability Management System	(iv)9.0
SA01/003	Social Accountability Laws and Conventions	
SA02/001	Social Accountability Policy Management	(iv)9.1
SA02/002	Effective Implementation of Policy	(iv)9.1
SA03/001	Company Structure and Responsibilities	(iv)9.5a
SA03/002	Organisational Structure,	(iv)9.5a
SA03/003	Roles, Responsibilities and Authorities	(iv)9.5a
SA03/004	Training and Information	(iv)9.5bc
SA03/006	Employee Representative	(iv)9.4
SA04/001	Resources Management	(iv)9.11
SA07/001	Health and Safety	(iv)3.0
SA08/001	Freedom of Association & Right to Collective Bargaining	(iv)4.0
SA09/001	Discrimination	(iv)5.0
SA10/001	Disciplinary Practices	(iv)6.0
SA11/001	Working Hours	(iv)7.0
SA12/001	Remuneration	(iv)8.0
SA13/001	Social Accountability Planning	(iv)9.5
SA13/004	Identifying threats and unacceptable conditions	
SA13/005	Identifying stakeholders needs	
SA13/006	Determining and managing the priorities	
SA13/007	Planning for Management of Individual Issues	
SA13/008	Monitoring, Measuring and Analysis	(iv)9.5d
SA14/001	Management and Control of the Supply Chain	(iv)9.6,
SA14/002	Supplier Practices and Records	(iv)9.7
SA14/003	Evidence of Supplier Compliance and Control	(iv)9.8
SA14/004	Home-workers	(iv)9.9
SA15/001	Analysis of Non-compliance and Corrective Action	(iv)9.10
SA16/001	Continuous Improvement	(iv)9.1c
SA17/001	Communications	(iv)9.12
SA18/001	Access, Audits and Assessments	(iv)9.13
SA19/001	Management Review	(iv)9.2
SA20/001	Company Social Accountability Records	(iv)9.14

### 9.4 RESPONSIBILITY

The Managing Director is responsible for this Social Accountability Discrimination Policy.

*iv)9.5a*  
*(iv)5.0/1*  
*(iv)5.2/3*

## END OF SECTION 9



## DISCIPLINARY PRACTICES

Policy and Requirements

- 10.0 POLICY** *(iv)9.1d*  
*(iv)6.0/1*
- We shall not engage or support the use of corporal punishment, mental or physical coercion, and verbal abuse.
- In doing so we shall seek to comply with clause (iv) 6.0 of the international standard SA8000:2001. *(iv)9.1d*  
*(iv)6.0/1*
- 10.1 WHAT IS REQUIRED** *(iv)9.1d*  
*(iv)6.0/1*
- We are required to demonstrate respect for workers' mental, emotional and physical well-being when determining disciplinary measures or giving performance reviews.
- Procedures should be defined and followed for matters relating to employee performance evaluations and disciplinary action. *(iv)9.1d*  
*(iv)6.0/1*
- These procedures should be applied consistently and not arbitrarily to every employee. If disciplinary action is necessary we should encourage a progressive course of action, beginning with verbal or written warnings before more serious disciplinary action is taken. *(iv)9.1d*  
*(iv)6.0/1*
- Fines or wage deductions for disciplinary purposes must never be applied. *(iv)9.1d*  
*(iv)6.0/1*
- 10.2 WHAT WE DO** *(iv)9.1d*  
*(iv)6.0/1*
- Within our own company we need certain disciplinary measures to maintain orderly and effective operations. This must exclude recourse to any form of harsh punishment and abusive behaviour despite the fact that in other countries and facilities corporal punishment, mental or physical coercion, and verbal abuse are still widely used.
- 10.2.1 We will not permit discipline being exercised over our workers such as being hit over the head by their supervisors, having their mouths taped for talking, being forced to stand or kneel in humiliating postures for extended periods. *(iv)9.1d*  
*(iv)6.0/1*
- 10.2.2 In addition we will not permit or tolerate male or female workers being stripped in theft investigations or any other practice which does not respect the person and their right to privacy. *(iv)9.1d*  
*(iv)6.0/1*
- 10.2.3 In addition to physical abuse, mental or psychological abuse is also prohibited. It is identified by the intentional misuse of authority and power ( including verbal abuse, isolation, sexual or racial harassment, intimidation, threat of physical force, etc.) against an individual or a group of employees. *(iv)9.1d*  
*(iv)6.0/1*
- 10.2.4 Both physical abuse and mental abuse will result in harm to our employees' physical, mental, moral or social well-being which is morally offensive to us and our social accountability as well contributors to a loss of productivity. *(iv)9.1d*  
*(iv)6.0/1*
- 10.2.5 We do not condone or allow fines or deductions for disciplinary purposes such as lateness, absenteeism, failure to complete quotas, mistakes during operation, and taking breaks longer than allowed. *(iv)9.1d*  
*(iv)6.0/1*

## DISCIPLINARY PRACTICES

Requirement and Practices

### 10.2 WHAT WE DO CONTINUED

- |         |   |                               |
|---------|---|-------------------------------|
|         |   | <i>(iv)9.1d</i>               |
| 10.2.6  | We maintain and operate documented practices and procedures as a means of ensuring discipline is exercised correctly, consistently and without fear or favour under our social accountability management system.  | <i>(iv)9.1d<br/>(iv)6.0/1</i> |
| 10.2.7  | A procedures log is maintained which details any violations of the discipline policy by management and it is kept up-to-date on cases requiring corrective measures or investigations.  | <i>(iv)9.1d<br/>(iv)6.0/1</i> |
| 10.2.8  | Records support the existence of our appeal procedures in cases where disciplinary measures have been questioned by employees.  | <i>(iv)9.1d<br/>(iv)6.0/1</i> |
| 10.2.9  | We seek to ensure all employees are advised of the company grievance and discipline procedures. The trade unions' and employees' representatives are familiar with our company's disciplinary policies and procedures and make use of the practices to register appeals without any negative repercussions. Training and/or written information is offered to all employees regarding disciplinary policies and procedures. | <i>(iv)9.1d<br/>(iv)6.0/1</i> |
| 10.2.10 | Workers know their rights vis-à-vis management and the procedures for filing complaints accordingly.  | <i>(iv)9.1d<br/>(iv)6.0/1</i> |
| 10.2.11 | Audits and reviews are used to support the evidence that no physical or mental abuse occurs and no security personnel are involved in implementing disciplinary decisions. This ensures that all disciplinary actions against employees are well documented and any actions comply with national laws and related regulations.  | <i>(iv)9.1d<br/>(iv)6.0/1</i> |
| 10.2.12 | Our policy requires that management adopt a progressive course of action if discipline is necessary. This includes:   | <i>(iv)9.1d<br/>(iv)6.0/1</i> |
|         | a) Setting up procedures;   |                               |
|         | b) Alternative disciplinary actions;  |                               |
|         | c) Workers' Rights in disciplinary process.   |                               |

POLICY MANUAL  
 CLAUSE  
 REFERENCE

**DISCIPLINARY PRACTICES**  
 Requirement and Practices

SA8000:2001  
 CLAUSE  
 REFERENCE

**10.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES**

The following documented procedures are maintained and implemented within the company for the effective implementation of this policy:

*(iv)9.1d*  
*(iv)6.0/1*

SA01/003	Social Accountability Laws and Conventions	
SA03/004	Training and Information	(iv)9.5bc
SA03/005	Management Representative	(iv)9.3,
SA03/006	Employee Representative	(iv)9.4
SA04/001	Resources Management	(iv)9.11
SA06/001	Forced Labour	(iv)2.0
SA07/001	Health and Safety	(iv)3.0
SA08/001	Freedom of Association & Right to Collective Bargaining	(iv)4.0
SA09/001	Discrimination	(iv)5.0
SA10/001	Disciplinary Practices	(iv)6.0
SA11/001	Working Hours	(iv)7.0
SA12/001	Remuneration	(iv)8.0
SA13/007	Planning for Management of Individual Issues	
SA13/008	Monitoring, Measuring and Analysis	(iv)9.5d
SA15/001	Analysis of Non-compliance and Corrective Action	(iv)9.10
SA16/001	Continuous Improvement	(iv)9.1c
SA17/001	Communications	(iv)9.12
SA18/001	Access, Audits and Assessments	(iv)9.13
SA19/001	Management Review	(iv)9.2
SA20/001	Company Social Accountability Records	(iv)9.14

**10.4 RESPONSIBILITY**

The Managing Director is responsible for this Social Accountability Disciplinary Practices Policy

*(iv)9.5a*  
*(iv)6.0/1*

**END OF SECTION 10**

## WORKING HOURS

Policy and Requirement

### 11.0 POLICY

We shall comply with the applicable laws and industry standards on employee working hours as a minimum requirement whilst seeking to increase the welfare of employees as and when it is permissible to do so in this respect.

(iv)9.1  
 (iv)7.0

In so doing we shall seek to comply with clause (iv) 7.0 of the international standard SA8000:2001.

(iv)9.1a  
 (iv)7.0

### 11.1 WHAT IS REQUIRED

We are required to comply with applicable laws and industry standards on working hours.

(iv)9.1a  
 (iv)7.0/1  
 (iv)7.2/3

11.1.1 The normal working week is as defined by law but shall not on a regular basis exceed 48 hours. Other than as permitted in clause Section 11.1.3 (below), overtime work shall be voluntary.

(iv)9.1a  
 (iv)7.0

11.1.2 Personnel shall be provided with at least one day off in every seven-day period. All overtime work shall be reimbursed at a premium rate and under no circumstances shall exceed 12 hours per employee per week.

(iv)9.1a  
 (iv)7.0  
 (iv)7.2/3

11.1.3 Collective bargaining agreement may require overtime work in accordance with such agreement to meet short-term business demand. Any such agreement must comply with the requirements of clause 11.1.1 and 11.1.2 above.

(iv)9.1a  
 (iv)7.3

#### Definitions & Interpretations

The normal working week is a maximum of 48 hours, or the maximum hours allowed under national law, local law, or a collective bargaining agreement if any of these set limits lower than 48 hours.

(iii)

Workers should not be required to work overtime (or exceed the maximum normal workweek hours) regularly, meaning constantly or the majority of the time.

Workers must be given one day off in every seven-day period under any circumstances. One day off should be interpreted as at least twenty-four consecutive hours (per ILO Convention 14).

“Premium rate” refers to a higher rate of pay than the regular weekly rate. The premium rate of pay should comply with national laws or regulations.

Based on a maximum normal working week time of 48 hours and a maximum weekly overtime of 12 hours, the maximum weekly work schedule per employee is 60 hours.

Worker organisations have the rights to draw up their own constitutions and rules, to elect their representatives in full freedom, to organise their administration and activities and to formulate their programmes.

## WORKING HOURS

Requirements and Practices

### 11.2 WHAT WE DO

Within our own company we aim to limit the widespread abuse of overtime. Overtime hours must be voluntary, unless a collective bargaining agreement allows for required overtime under certain conditions, and are not to exceed 12 hours per week, even when the regular working week is less than 48 hours. Accordingly the 60 hours rule is regarded as a guide only.

(iv)9.1d  
 (iv)7.0/1

11.2.1 We review 5 key issues in respect of working hours under our social accountability programme. these are:

(iv)9.1d  
 (iv)7.1/2/3

- a) Voluntary overtime;
- b) Piecework;
- c) Subcontracting and homework;
- d) Production review;
- f) Fatigue-related accidents.

#### 11.2.2 Voluntary Overtime,

We verify the voluntary nature of overtime by a review of agreements made between our management and our workers. Equally important as determining the voluntary nature of overtime is a review of the system for distributing overtime hours. It is important to ensure the system for distributing overtime is not susceptible to discrimination.

(iv)9.1d  
 (iv)7.2

This is designed to ensure that the transparent system for the fair distribution of overtime hours is such that refusal to work overtime does not result in the automatic withdrawal of overtime in the future.

(iv)9.1d  
 (iv)7.2

We check to ensure overtime is paid in accordance with local/national laws or regulations and at an appropriate premium rate. It is imperative that all workers are given reasonable breaks during shifts and that workers are free to leave at end of their shift if they wish to do so.

(iv)9.1d  
 (iv)7.2

Employee vacations and personal leave are allowed in compliance with national laws and regulations.

(iv)9.1d  
 (iv)7.2

#### 11.2.3 Piecework

Management, supervisors, planners and employees are encouraged to understand the mechanisms of piecework and how it is managed in the company. Complex systems are often arbitrary of piece rate pay and incentives based on the total production output.

(iv)9.1d  
 (iv)7.1

The setting of production quotas is targeted at being reasonable and should allow the majority of workers to complete the required daily production quota within eight hours.

(iv)9.1d  
 (iv)7.1

Time cards or other records are maintained whether workers are paid by the piece or by the hour.

(iv)9.1d  
 (iv)7.1

All workers are given assistance and information to ensure that they understand how their wage is calculated.

(iv)9.1d  
 (iv)7.1

## WORKING HOURS

Requirements and Practices

### 11.2 WHAT WE DO CONTINUED

*(iv)9.1d*

#### 11.2.4 Subcontracting and Homeworking.

*(iv)9.1d*

Aspects of our business are often labour-intensive and when our capacity is being exceeded or a more competitive source is essential for continued business, we resort to sub-contracting to supplement the available capacity for short-term periods.

*(iv)7.0*

*(iv)9.6*

In addition to being more versatile in our ability to accommodate high work loads without over-exercising the overtime options, we can often reduce costs.

*(iv)9.1d*

*(iv)7.0*

*(iv)9.6*

This system poses a challenge to the implementation of any social compliance program and ours is no exception. There is evidence in our supply chain that the further down the subcontracting hierarchy you develop, there is the possibility for unknown or un-reported incidents and the potential for the use of:

*(iv)9.1d*

*(iv)7.0*

*(iv)9.6*

- a) excessive hours;
- b) lower pay;
- c) non-payment of legally required benefits;
- d) no safety and health protection.

To make sure that a subcontracting facility complies with our own social accountability standards and the specific SA8000:2001 requirements on working hours, we acquire and develop a good understanding of the use of sub-contracting and homework which contributes to our business, products and services. The documented practices we use include the following:

*(iv)9.1d*

*(iv)7.0*

*(iv)9.6*

- a) Review of their current capacity against production records and other capacity indicators;
- b) Statistical trend analysis in situations where the number of full-time workers is gradually decreasing and/or the number of part-time workers is increasing;

Note: This is done in cases where we need to clarify whether short-term contracts are given in response to fluctuations in business needs or are being used to avoid paying benefits.

- c) Conducting subcontractor interviews to verify company record keeping;
- d) Assessment and check of the national laws for possible regulations for home workers concerning savings plans, health care, child care, policies on damaged materials or products;
- e) Interview local trade unions and other advocates for the rights of (home) workers in order to ascertain the local employment practices with home workers.

**WORKING HOURS**  
 Requirements and Practices

**11.2 WHAT WE DO CONTINUED**

*(iv)9.1d*

**11.2.5 Production Reviews**

*(iv)9.1d*

We consider it important to have a solid understanding of the manufacturing process in order to conduct capacity and production reviews which in turn help support our social accountability and corporate governance. Records and data are taken from:

*(iv)7.0*  
*(iv)9.5d*

- a) time cards
- b) number of workers employed
- c) production and capacity loading records
- d) overall manufacturing capacity of the facility

This identifies anomalies which can be contributors to any off-book overtime work, contracting, or homework used in our business on a permanent basis..

*(iv)9.1d*  
*(iv)7.0*  
*(iv)9.5d*

This assists us in our corporate governance by ensuring the arrangements for internal controls are correct and acceptable. In this respect we have therefore developed systematic, industry-specific criteria and procedures for evaluating production capacity in a given industry and region.

*(iv)9.1d*  
*(iv)7.0*  
*(iv)9.5d*

We call upon reports to be produced on a planned basis to review production records and monthly and daily averages and compare that to the production level on the day/month/period in question. This takes account of the size of the workforce, the pace of production, and whether any work is subcontracted or completed as homework.

*(iv)9.1d*  
*(iv)7.0*  
*(iv)9.5d*

In regions where extensive overtime work is the norm, we seek to ascertain how management reduced working hours, contained costs or meet increased targets.

*(iv)9.1d*  
*(iv)7.0*  
*(iv)9.5d*

When double sets of books, records and data are being used we seek to have a positive demonstration of how management is able to reduce working hours. We also inquire as to how management is able to compete with neighbouring workplaces and how workers have reacted to fewer hours of work.

*(iv)9.1d*  
*(iv)7.0*  
*(iv)9.5d*

This approach of review, assessment and analysis is applied both internally to our own operations and process as well as external factories, subcontractors and overseas agents.

*(iv)9.1d*  
*(iv)7.0*  
*(iv)9.5d*



## WORKING HOURS

Requirements and Practices

### 11.2 WHAT WE DO CONTINUED

*(iv)9.1d*

#### 11.2.6 Fatigue-Related Accidents

*(iv)9.1d*

The amount of time spent working is closely related to employees and workers' health and safety. We therefore assess at planned intervals data on industrial accidents and health issues from national and international authorities as benchmarks against our own performance and those of the supply chain.

*(iv)7.0*  
*(iv)3.0/1*

This data is helpful to us when determining whether the rate of industrial accidents within the facility is excessive for the type of industry and production activity.

*(iv)9.1d*  
*(iv)7.0*  
*(iv)3.0/1*

We review whether medical records and accident reports are properly maintained and assess whether any accidents are fatigue-related. This data is also important in cases where very few accidents are reported, particularly when these numbers are much lower than the industry norm. In such a case we look at why this might be and identify aspects of best practice which are resident in such areas. This also tests the validity of the records when no notable difference in aspects or applications can be identified.

*(iv)9.1d*  
*(iv)7.0*  
*(iv)3.0/1*

#### 11.2.7 Evidence of Compliance

*(iv)9.1d*

We establish in-house standards with which to assess our own performance, and those in the supply chain, on matters such as working hours, overtime and related conditions.

*(iv)7.0*  
*(iv)9.5d*

The following are some examples of the metrics we use as evidence that indicate compliance with this policy:

*(iv)7.0*  
*(iv)9.5d*

- a) Overtime and piecework wage records;
- b) Worker testimony on voluntary overtime;
- c) Corrective action plan to address working hours problems;
- d) Product quantities produced ratio to number of workers and home workers reported;
- e) Data and numbers on the capacity of the workers to local and national industrial norms;
- f) Levels of fatigue-related accidents are not excessively high (or low) for the type of industry/activity;
- g) Review of labour agreement on when or under what circumstances overtime can be required and compliance with national law.

POLICY MANUAL  
 CLAUSE  
 REFERENCE

**WORKING HOURS**  
 Procedures and Responsibility

SA8000:2001  
 CLAUSE  
 REFERENCE

**11.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES**

(iv)9.1d  
 (iv)7.0/1/2/3

The following documented procedures are maintained and implemented within the company for the effective implementation of this policy:

SA01/003	Social Accountability Laws and Conventions	(iv)9.0
SA02/002	Effective Implementation of Policy	(iv)9.1
SA04/001	Resources Management	(iv)9.11
SA07/001	Health and Safety	(iv)3.0
SA09/001	Discrimination	(iv)5.0
SA10/001	Disciplinary Practices	(iv)6.0
SA11/001	Working Hours	(iv)7.0
SA12/001	Remuneration	(iv)8.0
SA13/004	Identifying threats and unacceptable conditions	
SA13/005	Identifying stakeholders needs	
SA13/006	Determining and managing the priorities	
SA13/007	Planning for Management of Individual Issues	
SA13/008	Monitoring, Measuring and Analysis	(iv)9.5d
SA14/001	Management and Control of the Supply Chain	(iv)9.6,
SA14/002	Supplier Practices and Records	(iv)9.7
SA14/003	Evidence of Supplier Compliance and Control	(iv)9.8
SA14/004	Home-workers	(iv)9.9
SA15/001	Analysis of Non-compliance and Corrective Action	(iv)9.10
SA16/001	Continuous Improvement	(iv)9.1c
SA17/001	Communications	(iv)9.12
SA18/001	Access, Audits and Assessments	(iv)9.13
SA19/001	Management Review	(iv)9.2
SA20/001	Company Social Accountability Records	(iv)9.14

**11.4 RESPONSIBILITY**

(iv)9.5a  
 (iv)7.0/1/2/3

The Managing Director is responsible for this Social Accountability Working Hours Policy

**END OF SECTION 11**

## REMUNERATIONS

Policy and Requirement

- 12.0 POLICY** (iv)9.1  
(iv)8.0
- In respect of employee remuneration we shall provide employees with wages which always meet the legal or industry minimum standards and shall be sufficient to meet basic needs of personnel and to provide some discretionary income.
- In so doing we shall seek to comply with clause (iv) 8.0 of the international standard SA8000:2001. (iv)9.1a  
(iv)8.0
- 12.1 WHAT IS REQUIRED** (iv)9.1a  
(iv)8.0  
(iv)8.1
- We are required to ensure that the wages paid for a standard working week always meet legal or industry minimum standards.
- 12.1.1 Wages should always be sufficient to meet basic needs of personnel and to provide some discretionary income. (iv)9.1a  
(iv)8.0/8.1
- 12.1.2 We must ensure that deductions from wages are not made for disciplinary purposes and that wage and benefit remuneration are detailed clearly and regularly for employees and workers. (iv)9.1a  
(iv)8.0  
(iv)8.2
- 12.1.3 The company must also ensure that wages and benefits are rendered either in cash or check form in a manner convenient to the employee or workers. (iv)9.1a  
(iv)8.0  
(iv)8.1
- 12.1.4 We must ensure that labour-only contracting arrangements and false apprenticeship schemes are not undertaken in an effort to avoid fulfilling our obligations to personnel under applicable laws pertaining to labour and social security legislation and regulations. (iv)9.1a  
(iv)8.0  
(iv)8.3
- 12.2 WHAT WE DO** (iv)9.1a  
(iv)8.0  
(iv)8.1
- Within our own company we pay basic needs wages for a standard working week (i.e., no more than 48 hours per week or as prescribed by national law if this specifies lower limits), and workers are not obligated or forced to work overtime to earn this basic wage. Moreover, payment for work completed is made in full and given in a timely manner.
- 12.2.1 Basic Needs Wages** (iv)9.1a  
(iv)8.0  
(iv)8.1
- This enables all our employees to support half the average-sized family above the poverty line based on local prices near the workplace.
- Basic needs include essential expenses such as food, clean water, clothes, shelter, transport, education, a discretionary income, as well as legally mandated social benefits which may include health care, medical insurance, unemployment insurance, retirement plan, and so on. (iv)9.1a  
(iv)8.0  
(iv)8.1
- The company's method of determining basic needs wage is carefully reviewed and recorded at the management review meetings. (iv)9.1a  
(iv)8.0  
(iv)8.1

**REMUNERATIONS**  
 Requirements and Practices

<b>12.2</b>	<b>WHAT WE DO CONTINUED</b>	(iv)9.1
<b>12.2.2</b>	<b>Deductions</b>	(iv)9.1a (iv)8.0 (iv)8.2
	Deductions for disciplinary purposes are not permitted in our company and we seek to discourage the application within the supply chain. Only obligatory deductions for taxes and social insurance are acceptable.	
	Deductions for transport, meals, medical assistance and lodging are also allowable, as long as these items are not required to complete the work and the deductions for them are chosen voluntarily by the employee.	(iv)9.1a (iv)8.0 (iv)8.2
<b>12.2.3</b>	<b>Charges for Services</b>	(iv)9.1a (iv)8.0 (iv)8.2
	All services offered by the company to our employees are provided at cost. They cannot be changed at a cost which exceeds the cost of its provision.	
<b>12.2.4</b>	<b>Payment Manner</b>	(iv)9.1a (iv)8.0 (iv)8.1
	Payment of wages is made in a manner which is convenient to them and ensures employees are not obligated to travel any significant distance or make an extra trip or incur an extra cost to collect their pay.	
	We do not use promissory notes, coupons, products, or merchandise to replace cash or check payments.	(iv)8.0 (iv)8.1
	The company ensures that wages and benefits are rendered either in cash or check form in a manner convenient to the employee or workers.	(iv)9.1a (iv)8.0 (iv)8.1
	Payment by electronic funds transfer is allowed only if the employee is in agreement.	(iv)8.0 (iv)8.1
<b>12.2.5</b>	<b>Contracting Arrangements</b>	(iv)9.1a (iv)8.0 (iv)8.1
	Labour-only contracting arrangements are prohibited as this is an unacceptable practice of hiring workers without establishing a formal employment relationship.	
	The practice identifies with a detrimental position for workers and was used in the past by less concerned businesses for the purpose of avoiding payment of regular wages or the provision of legally required benefits, such as health and safety protection.	(iv)9.1a (iv)9.6 (iv)8.1
	This also applies to false apprenticeship and training schemes which were adopted without stipulating the duration of the apprenticeship and the wages payable.	(iv)9.1a (iv)8.3 (iv)8.1

**REMUNERATIONS**  
 Requirements and Practices

**12.2 WHAT WE DO CONTINUED**

(iv)9.1

**12.2.6 Adequacy of Payment**

(iv)9.1a

We ensure that employees are compensated for the adequate performance of their work, they are paid in full and in a timely fashion. This ensures that deductions from wages are not made for disciplinary purposes and that wage and benefit remuneration are detailed clearly and regularly for employees and workers to fully understand the arrangements we have in place.

(iv)8.0  
 (iv)8.2

Wages earned for regular hours worked must be sufficient to meet the basic needs of the worker and at least half of his/her dependents.

(iv)9.1a  
 (iv)8.0  
 (iv)8.2

Under our payment terms and conditions it should not be necessary for employees to work overtime to earn a basic needs wage. Labour-only contracts or apprenticeship schemes are prohibited and must not be used to avoid paying benefits or to fulfill ongoing, routine tasks integral to the work of the company.

(iv)9.1a  
 (iv)8.0  
 (iv)8.2

**12.2.7 Piece Work and Quoters**

(iv)9.1a

Piece rate is only used as an incentive system in which workers are given production quotas and paid bonuses to exceed those quotas in an effort to drive up production efficiency.

(iv)8.0  
 (iv)8.1

Our employees engaged in piece work are given sufficient details to understand how base pay and bonuses are calculated. When practical they have the opportunity to participate in the determination of production quotas and pay rates.

(iv)8.0  
 (iv)8.1

It is not acceptable for production quotas to be used to apply fines, deduction of wages, or verbal or physical abuse. We keep a watch and brief on such arrangements to ensure piece rate incentives do not become the primary cause for excessive overtime simply to earn the minimum wage.

(iv)9.1a  
 (iv)8.0  
 (iv)8.1

Whether piece rate or hourly rate calculations are used, we insist on keeping accurate records of the hours worked and overtime paid at a premium rate.

(iv)9.1a  
 (iv)8.0  
 (iv)8.1

**REMUNERATIONS**  
 Requirements and Practices

**12.2 WHAT WE DO CONTINUED**

(iv)9.1

**12.2.8 Deductions and fines**

(iv)9.1a

Our policy is to impose no fines or wage deductions for disciplinary purposes. It is not our practice to impose fines for unsatisfactory performance or conduct. We employ progressive disciplinary practices and alternative means, such as verbal warnings followed by one or more written notifications, to maintain order.

(iv)8.0

(iv)8.2

We do apply deductions from wages which are legally required. These include health care, social security or taxes when applicable. Such matters are explicitly stated in the employment contract and on wage slips.

(iv)9.1a

(iv)8.0

(iv)8.2

Employees and workers understand their options and give their consent on other legally permissible deductions for company-provided services such as housing, meals, child care or transportation fees. Minimum wages do not include in-kind payments such as meal coupons or financial aid for housing or child care, unless workers elected to pay for those services.

(iv)9.1a

(iv)8.0

(iv)8.2

Costs for room and board charged by the company or factory to the worker never exceed the costs incurred in providing such services.

(iv)9.1a

(iv)8.0

(iv)8.1

Workers and employees are not 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.

(iv)8.0

(iv)8.1

Deductions for repayment of loans or for advance wage payments granted never exceed a reasonable amount and the charging of any interest is always agreed at or below current bank rates.

(iv)9.1a

(iv)8.0

(iv)8.1

**12.2.9 Evidence of Compliance**

(iv)8.0

The following are some examples of how we achieve compliance with this policy:

(iv)8.1

- a) Review of wage slips, payroll records and/or time cards to show that adequate wage payments are being made; (iv)8.1
- b) Review of employee consultation team meeting records and employee testimony; (iv)8.1
- c) Review of deductions and wage adequacy confirmed by local government data, and/or local experts such as trade union representatives; (iv)8.2
- d) Content and revision of employment terms and contracts; (iv)8.1/2/3
- e) Wages assessment to equal or exceed the industrial norm; (iv)8.1
- f) Undertaking basic needs calculation; (iv)8.1
- g) Review of apprenticeship and other training arrangements. (iv)8.3

POLICY MANUAL  
 CLAUSE  
 REFERENCE

**REMUNERATIONS**  
 Procedures and Responsibility

SA8000:2001  
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 REFERENCE

**12.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES**

The following documented procedures are maintained and implemented within the company for the effective implementation of this policy:

(iv)9.1d  
 (iv)8.0/1/2/3

SA01/003	Social Accountability Laws and Conventions	
SA02/002	Effective Implementation of Policy	(iv)9.1
SA03/004	Training and Information	(iv)9.5bc
SA04/001	Resources Management	(iv)9.11
SA09/001	Discrimination	(iv)5.0
SA10/001	Disciplinary Practices	(iv)6.0
SA11/001	Working Hours	(iv)7.0
SA12/001	Remuneration	(iv)8.0
SA13/001	Social Accountability Planning	(iv)9.5
SA13/004	Identifying threats and unacceptable conditions	
SA13/005	Identifying stakeholders needs	
SA13/006	Determining and managing the priorities	
SA13/007	Planning for Management of Individual Issues	
SA13/008	Monitoring, Measuring and Analysis	(iv)9.5d
SA15/001	Analysis of Non-compliance and Corrective Action	(iv)9.10
SA16/001	Continuous Improvement	(iv)9.1c
SA17/001	Communications	(iv)9.12
SA18/001	Access, Audits and Assessments	(iv)9.13
SA19/001	Management Review	(iv)9.2
SA20/001	Company Social Accountability Records	(iv)9.14

**12.4 RESPONSIBILITY**

The Managing Director is responsible for this Social Accountability Remunerations Policy.

(iv)9.5a  
 (iv)8.0/1/2/3

**END OF SECTION 12**



## SOCIAL ACCOUNTABILITY PLANNING

Policy and Requirements

### 13.0 POLICY

We shall design, develop and implement a viable and documented process for the administration of our social accountability which is consistent and dependable in identifying problems and the delivery of results and solutions.

(iv)9.1  
(iv)9.5

In doing so we shall seek to comply with clause (iv) 9.5 of the international standard SA8000:2001.

(iv)9.5  
(iv)9.1a

### 13.1 WHAT IS REQUIRED

We must have in place process, practice and sequences for the time phased review, identification and control of our social accountability management system to ensure it is effectively implemented and dependable. Our system is required to address:

(iv)9.1a  
(iv)9.0

- a) Policy (iv)9.1
- b) Management Review (iv)9.2
- c) Company Representatives (iv)9.3
- d) Employees Representative (iv)9.4
- e) Planning and Implementation (iv)9.5
- f) Control of Suppliers/Subcontractors/Sub-Suppliers (iv)9.6-9.9
- g) Compliance Records for suppliers/subcontractors and sub-suppliers (iv)9.7
- h) Addressing Concerns and Taking Corrective Action (iv)9.10-9.11
- j) Outside Communication (iv)9.12
- k) Access for Verification (iv)9.13

13.1.1 We are required to maintain appropriate records to demonstrate conformance to the requirements of SA8000:2001 standard.

(iv)9.14

13.1.2 Our system's review and administration must be directed at all known hosts for unacceptable labour conditions and practices in our own process and operation.

(iv)9.1-14

13.1.3 In addition we must plan and put in place a search and eradicate preparatory measure for the improvement of our social accountability within the supply chain.

(iv)9.5  
(iv)9.6

13.1.4 This must consider the possibility of currently unknown practices which can be obscured from our measurements and monitoring or seemingly benign. Our monitoring and identification process must consider, amongst other things, the unacceptable labour conditions inherent in:

(iv)9.5  
(iv)9.10

- a) day-to-day operation;
- b) market developments;
- c) political changes;
- d) natural disasters;
- e) social-economic changes.

13.1.5 Procedures and process must be part of the planning for assessment that take account of:

(iv)9.5

- a) Impact - should the aspect be realised/identified;
- b) Exposure - to the business (scale of rare to continuous);
- c) Probability - taking into account the management controls in place.

## SOCIAL ACCOUNTABILITY PLANNING

Policy and Requirement

### 13.1 WHAT IS REQUIRED CONTINUED

(iv)9.1d

13.1.6 The social accountability system that our top management authorise and effectively implement is to be communicated and administered in the form of:

(iv)9.5  
 (iv)9.1a

- a) policies
  - b) objectives
  - c) targets,
- These must be appropriate to the relevant level within the company social accountability operations

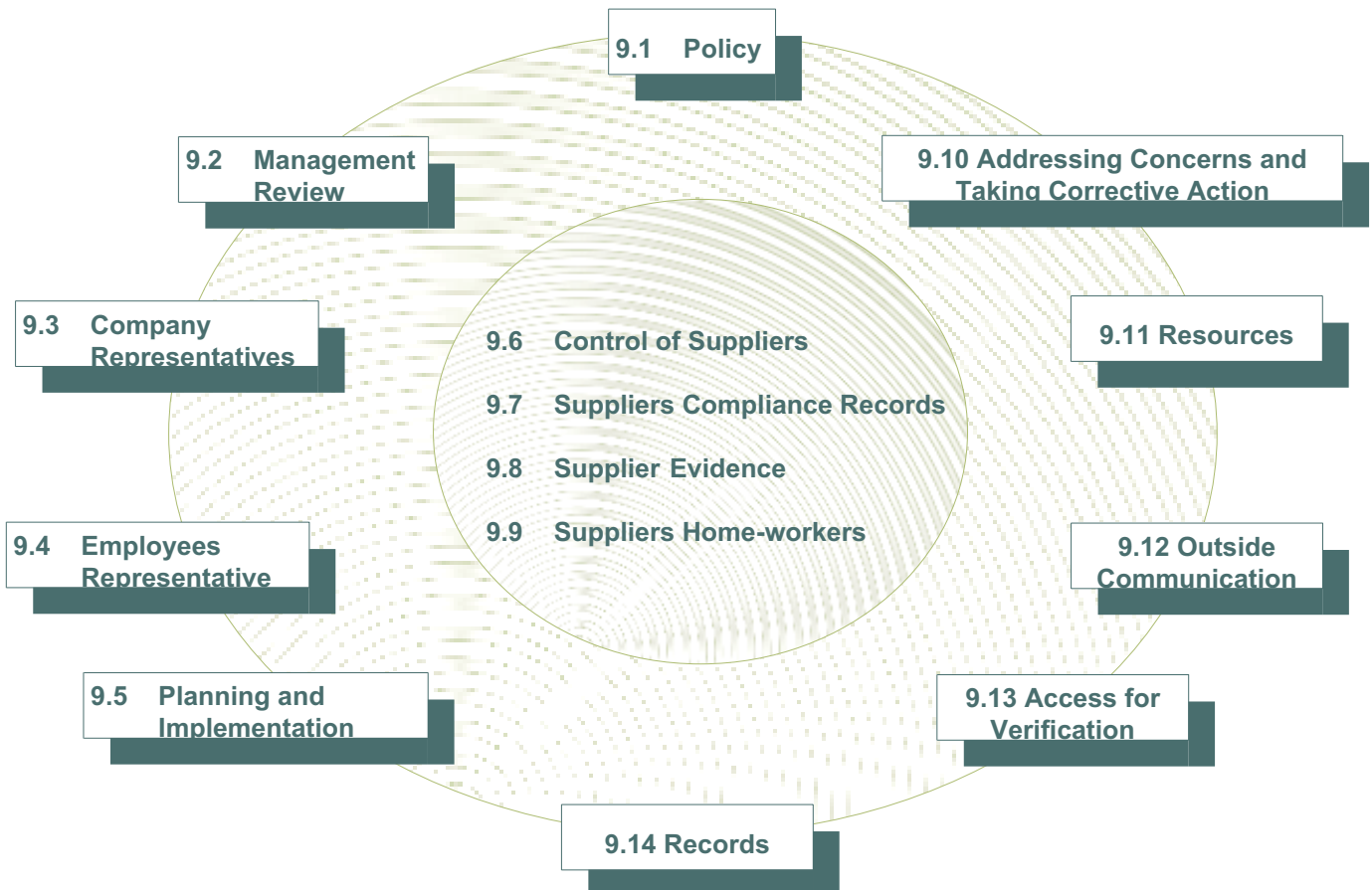
13.1.7 We must clearly identify and commit the resources necessary to deliver the policies, objectives and targets we establish including:

(iv)9.1a  
 (iv)9.11

- a) people;
- b) infrastructure, machinery, plant, etc;
- c) finance, investment;
- d) intellectual property and know-how etc.

We must commit resources that are essential to effective correction of non-compliance. These must be appropriate to the nature and significance of the incidents and improvement of the social accountability management arrangements of the business.

(iv)9.1a  
 (iv)9.11



## SOCIAL ACCOUNTABILITY PLANNING

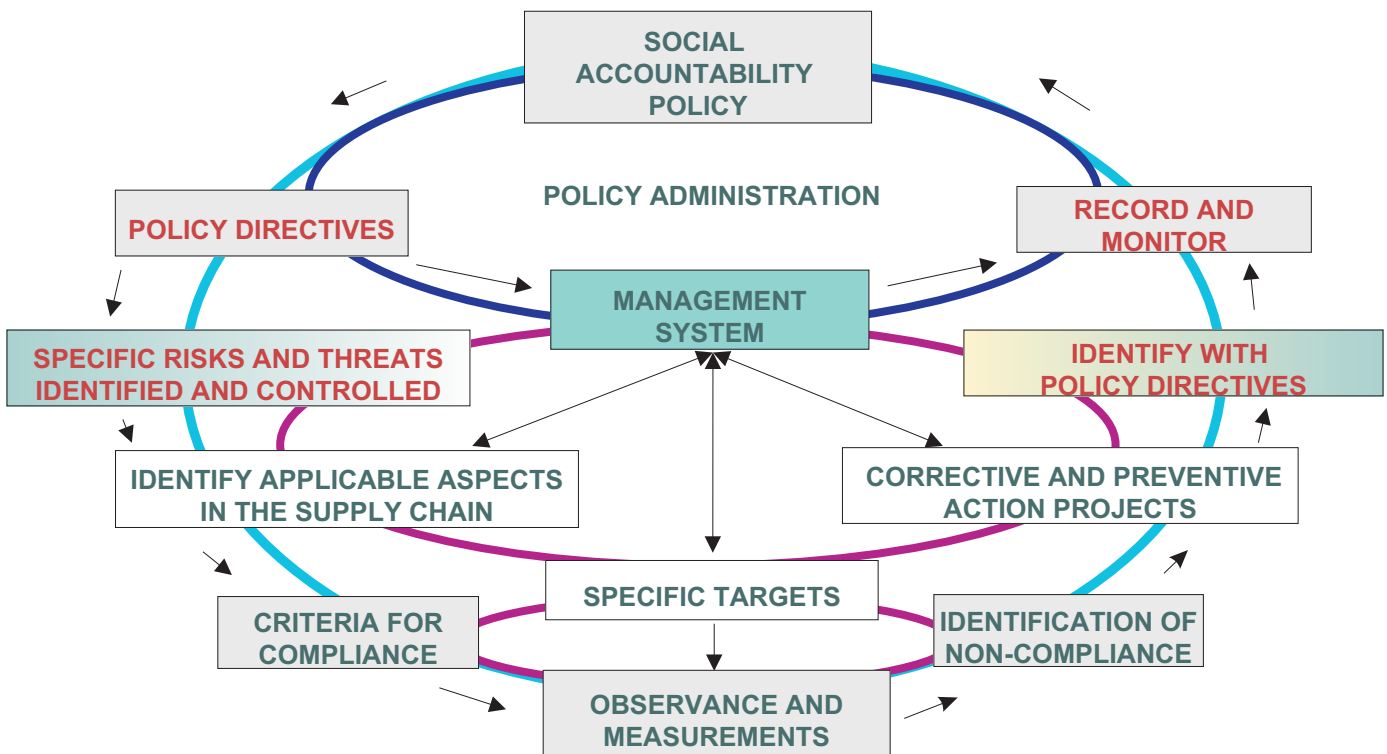
Requirement and Procedures

### 13.2 WHAT WE DO

Our planning of our social accountability resides in the following aspects of our management system:

(iv)9.1  
 (iv)9.5  
 (iv)9.1a

- a) Building on a framework;
- b) Establishing a management strategy;
- c) Identifying threats and unacceptable conditions;
- d) Identifying stakeholders needs;
- e) Determining and managing the priorities;
- f) Planning for Management of Individual Issues;
- g) Monitoring, Measuring and Analysis.



## SOCIAL ACCOUNTABILITY PLANNING

Requirement and Procedures

### 13.2 WHAT WE DO CONTINUED

*(iv)9.1d*

13.2.1 The social accountability programme and sequence involved is summarised as follows:

*(iv)9.5  
(iv)9.1a*

- a) Executive board reviews and publishes the social accountability policy;
- b) Policy contains social accountability framework, directives and commitments to be followed;
- c) Management system is engaged and deployed to operate the social accountability policy, directives and commitments;
- d) Specific aspects, risks and threats are identified and controlled;
- e) Key performance indicators and aspects are monitored to highlight deviations and incidents and exposure;
- f) Specific known management tasks are undertaken and monitored;
- g) Corrective and preventive actions are agreed, engaged and deployed for policy directives;
- h) Action is correlated with policy directives and completed within controlled and planned criteria or targets;
- j) Actions and programme results are reviewed and the need for changes or improvements examined, considered and authorised in line with agreed practices and the improvements policy.

13.2.2 The PDCA prescription for our social accountability system of plan, do, check and act is contained in the implementation and operation aspect of the social accountability programme shown on page 3 of this section.

*(iv)9.5  
(iv)9.1a*

13.2.3 The improvement in management and development of labour conditions and their associated strategic risks is populated through planning, assessment and review practices which provide for the phased generation of our improvement process.

*(iv)9.5  
(iv)9.1a*

13.2.4 This is discussed and demonstrated in the diagram in Section 14 of this policy manual and achieved through the practices we employ for the management of change in our social accountability arrangements and procedures applied to internal controls.

*(iv)9.5  
(iv)9.1a*

## SOCIAL ACCOUNTABILITY PLANNING

Procedures and Responsibility

### 13.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES

The following documented procedures are maintained and implemented within the company for the effective implementation of this policy:

*(iv)9.1d*  
*(iv)9.5*

SA01/001	Social Accountability Management System	(iv)9.0
SA02/001	Social Accountability Policy Management	(iv)9.1
SA02/002	Effective Implementation of Policy	(iv)9.1
SA03/001	Company Structure and Responsibilities	(iv)9.5a
SA03/002	Organisational Structure,	(iv)9.5a
SA03/003	Roles, Responsibilities and Authorities	(iv)9.5a
SA03/004	Training and Information	(iv)9.5bc
SA03/005	Management Representative	(iv)9.3,
SA03/006	Employee Representative	(iv)9.4
SA04/001	Resources Management	(iv)9.11
SA13/001	Social Accountability Planning	(iv)9.5
SA13/002	Building on a framework	
SA13/003	Establishing a management strategy	
SA13/004	Identifying threats and unacceptable conditions	
SA13/005	Identifying stakeholders needs	
SA13/006	Determining and managing the priorities	
SA13/007	Planning for Management of Individual Issues	
SA13/008	Monitoring, Measuring and Analysis	(iv)9.5d
SA14/001	Management and Control of the Supply Chain	(iv)9.6,
SA14/002	Supplier Practices and Records	(iv)9.7
SA14/003	Evidence of Supplier Compliance and Control	(iv)9.8
SA14/004	Home-workers	(iv)9.9
SA15/001	Analysis of Non-compliance and Corrective Action	(iv)9.10
SA16/001	Continuous Improvement	(iv)9.1c
SA17/001	Communications	(iv)9.12
SA18/001	Access, Audits and Assessments	(iv)9.13
SA19/001	Management Review	(iv)9.2
SA20/001	Company Social Accountability Records	(iv)9.14

### 13.4 RESPONSIBILITY

The Managing Director is responsible for this Social Accountability Planning Policy.

*(iv)9.5a*  
*(iv)9.5*

**END OF SECTION 13**

## MANAGEMENT AND CONTROL OF THE SUPPLY CHAIN

Policy and Requirements

### 14.0 POLICY

We shall seek to influence the conditions for the management of labour through the products and services that we purchase, in particular with suppliers who significantly contribute to the products we market or supply.

*(iv)9.1*  
*(iv)9.0*

In doing so we shall seek to comply with clause (iv)9.6, 9.7, 9.8 and 9.9 of the international standard SA8000:2001.

*(iv)9.6-9*  
*(iv)9.1a*

### 14.1 WHAT IS REQUIRED

We are required to establish and maintain appropriate procedures to evaluate and select suppliers/subcontractors (and, where appropriate, sub-suppliers) based on their ability to meet the requirements of Social Accountability Standard SA8000:2001

*(iv)9.1a*  
*(iv)9.6*

14.1.1 We are required to maintain appropriate records of suppliers'/ subcontractors' (and, where appropriate, sub-suppliers') commitments to social accountability, including the written commitment of our suppliers and organisations involved to:

*(iv)9.7*

- a) conform to all requirements of the SA8000:2001 standard;
- b) participate and cooperate with our monitoring activities when requested;
- c) promptly implement remedial and corrective action to address any non-conformance identified against the requirements of SA8000:2001;
- d) promptly and completely inform us of any relevant business relationship(s) with other suppliers/subcontractors and sub-suppliers.

*(iv)9.7a*

*(iv)9.7b*

*(iv)9.7c*

*(iv)9.7d*

14.1.2 We are required to maintain reasonable evidence that the requirements of the SA8000:2001 standard are being met by our suppliers and subcontractors.

*(iv)9.8*

14.1.3 Where we receive, handle or promote goods and/or services from suppliers/subcontractors or sub-suppliers who are classified as homeworkers, we must take special steps to ensure that such homeworkers are afforded a similar level of protection as would be afforded to directly employed personnel. These steps include:

*(iv)9.9*

- a) establishing legally binding, written purchasing contracts requiring conformance to minimum criteria (in accordance with the requirements of SA8000:2001);
- b) ensuring that the requirements of the written purchasing contract are understood and implemented by homeworkers and all other parties involved in the purchasing contract;
- c) maintaining 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.

*(iv)9.9a*

*iv)9.9b*

*iv)9.9c*

*iv)9.9d*

## MANAGEMENT AND CONTROL OF THE SUPPLY CHAIN

Requirements and Practices

- 14.2 WHAT WE DO** *(iv)9.1d*
- We have established and maintained documented purchasing procedures within our management systems for the approval and control of suppliers. This includes controls that we seek to develop and operate over sub-contractors and known contributors to our products and services from within the supply chain. *(iv)9.0*  
*(iv)9.1d*
- 14.2.1 We evaluate and select suppliers/subcontractors in accordance with these documented practices. The initial approval of a supplier is dependent on their ability to meet the requirements of the Social Accountability Standard SA8000:2001 *(iv)9.1a*  
*(iv)9.6*
- 14.2.2 We maintain supplier records including a documented statement of commitment to social accountability. This includes as a basic minimum requirement a statement that the supplier: *(iv)9.7*
- a) conforms to specified requirements of the SA8000:2001 standard; *(iv)9.7a*
  - b) will participate and cooperate with our monitoring activities when requested; *(iv)9.7b*
  - c) promptly implement remedial and corrective actions to address any non-conformance identified against the requirements of SA8000:2001; *(iv)9.7c*
  - d) promptly and completely inform us of any relevant business relationship(s) with other suppliers/subcontractors and sub-suppliers that can have social accountability implications for us as a company. *(iv)9.7d*
- 14.2.3 We use supplier records as evidence that the requirements of the SA8000:2001 standard are being met by our suppliers and subcontractors. *(iv)9.8*
- 14.2.4 We have a programme for applying specific controls where we receive, handle or promote goods and/or services from suppliers/subcontractors or sub-suppliers who are classified as homeworkers. These controls include: *(iv)9.9*
- a) a review of written purchasing contracts and orders requiring conformance to the minimum criteria cited in the specified requirements of SA8000:2001; *(iv)9.9a*
  - b) ensuring that the requirements of the written purchasing contract are understood and implemented by homeworkers and all other parties involved in the purchasing contract; *iv)9.9b*
  - c) maintaining comprehensive records detailing the identities of homeworkers; the quantities of goods produced/services provided and/or hours worked by each home worker; *iv)9.9c*
  - d) a schedule of announced and unannounced site monitoring to assess conditions and compliance with the terms of the written purchasing contract. *iv)9.9d*



## MANAGEMENT AND CONTROL OF THE SUPPLY CHAIN

Requirements and Practices

### 14.2 WHAT WE DO CONTINUED

(iv)9.1

#### 14.2.5 Supplier Approval Procedures

(iv)9.0

We have an established and well maintained documented procedure which we apply to evaluate and select our suppliers and subcontractors as part of our social accountability management systems.

(iv)9.6

These procedures are directed principally at the ability of the supplier to meet our specified requirements for quality, quantity, price and availability.

(iv)9.0

(iv)9.6

As part of the initial approval procedure, suppliers are assessed and questioned in respect of their compliance with a number of concerns. These include:

(iv)9.6

- |    |                       |                 |
|----|-----------------------|-----------------|
| a) | Quality               | ISO9001:2000    |
| b) | Environment           | ISO14001:2004   |
| c) | Health and Safety     | OHSAS18001:1999 |
| d) | Cooperate Governance  | PD6668:2000     |
| e) | Social Accountability | SA8000:2001     |

The assessment and response from suppliers is evaluated and their ability to comply with the specified requirements of the appropriate standard is reviewed by senior management.

(iv)9.6

The supplier is assessed and registered only if they comply with our requirements or, under concession, if the supplier has a programme of corrective measures in hand through which compliance can be determined at some agreeable future date.

(iv)9.6

Continued compliance with the specified requirements is determined by the use of 2nd party and 3rd party assessments, reports, and our own documented practices.

(iv)9.6

In addition we use research and reviews of our own customers' and stakeholders' perspective of the sources and suppliers that we use as a means of gauging supplier conduct and compliance.

(iv)9.6

Records of the assessment and review of suppliers (and, where appropriate, sub-suppliers) are retained as part of our specified controlled management system documents and programme.

(iv)9.6

(iv)9.7

#### 14.2.6 Supplier Approval Records

(iv)9.7

Records for the supplier's approval and specifically for their own social accountability are retained by the Purchasing Manager in liaison with the company representative. These records include:

- |    |  |          |
|----|--|----------|
| a) | Response to questionnaires and records of assessments;   | (iv)9.7a |
| b) | 3rd party reports and SA8000:2001 certificates;  | (iv)9.7a |
| c) | Register of cooperation with our monitoring activities;  | (iv)9.7b |
| d) | Remedial and corrective action records;  | (iv)9.7c |
| e) | Notification of any relevant business relationships with other suppliers/subcontractors and sub-suppliers. | (iv)9.7d |

(iv)9.7a

(iv)9.7a

(iv)9.7b

(iv)9.7c

(iv)9.7d

**MANAGEMENT AND CONTROL OF THE SUPPLY CHAIN**  
 Requirements and Practices

**14.2 WHAT WE DO CONTINUED**

(iv)9.1

**14.2.7 Supplier Conformance to SA8000:2001**

(iv)9.7a

We seek to ensure our major suppliers conform with SA8000:2001, being the recognised international social accountability standard. We insist that our major suppliers maintain and implement appropriate procedures for social accountability and labour conditions.

The influence we have in such matters is proportional to the business we can place with a supplier so we have a system for the proportional assessment of the influence we can exercise in such areas. In order of achievement we look to the following:

(iv)9.7a

**Level 1** 3rd party approval and certification of a suppliers system by a nationally accredited authority to SA8000:2001 and our own confirmation and assessment of a supplier's management practices

(iv)9.7a

**Level 2** Qualified 3rd party assessment of a supplier's system by a nationally accredited authority to SA8000:2001 and a plan/timescale for full compliance.

(iv)9.7a

**Level 3** Our own confirmation and assessment of a supplier's management practices.

(iv)9.7a

**Level 4** Evidence of a documented system being in place or being implemented with a plan/timescale for full compliance.

(iv)9.7a

**Level 5** Policy and statement from the Chief Executive Officer that the supplier is engaged in the programme of documenting and implementing a suitable system.

(iv)9.7a

We accept that it is not realistic to expect all our selected suppliers, subcontractors or sub-suppliers to be fully compliant with the SA8000:2001 standard, especially in terms of formal policies and documentation requirements.

(iv)9.7a

We have therefore focused initially on the qualifications and performance of our primary suppliers and subcontractors and those over which we have a significant amount of control or influence.

(iv)9.7a

We look to 3rd party approvals and our own assessments to demonstrate that a supplier has adopted a social accountability programme for the conditions it employs and operates in a formal management practice.

(iv)9.7a

A written commitment is a minimum requirement and initial indicator of our suppliers', subcontractors' and sub-suppliers' willingness to adopt a social accountability management system in accordance with SA8000:2001. In order to progress and receive principle supplier status, the supplier must also have targets, metrics and be able to demonstrate measures to monitor and evaluate the actual performance of their own programme.

(iv)9.7a

**MANAGEMENT AND CONTROL OF THE SUPPLY CHAIN**  
 Requirements and Practices

**14.2 WHAT WE DO CONTINUED**

(iv)9.1

**14.2.8 Cooperation With Our Monitoring Activities**

(iv)9.7b

Monitoring activities on suppliers are conducted periodically and monitoring reports are maintained from both internal and external assessments of all suppliers to the company products and processes.

These records and reports provide us with material on which to review and assess our suppliers' performance on all associated aspects which include social accountability and the conditions for the management of labour employed.

(iv)9.7b

Our suppliers are assessed and monitored to ensure there is reasonable evidence to review and to demonstrate each supplier is compliant with the level and status they have been allocated within our rating system.

(iv)9.7b

The performance of a supplier is subsequently tracked through the mechanism that we employ which includes:

(iv)9.7b

- a) Product and process audits;
- b) Contractual agreements and negotiations;
- c) Communications from the supplier and other related parties;
- d) Authorities and representatives;
- e) Corrective action plans and follow-up measures;
- f) Participation in joint projects.

Supplier contributions and purchased products make a major contribution to quality and duty of our designs and products. Failure by suppliers to maintain an acceptable level of social accountability in respect of their arrangements for labour impacts directly on the quality of products and the perception of the company and its products in the concept of our customers.

(iv)9.7a

The identification of the aspects and the measurement interpretations is covered by documented procedures and is supported by our social accountability management systems and practices.

(iv)9.7b

The data available is derived from supplier assessments, purchased product data, supplier rejects, service and prices. These generate data on the purchasing activity, spending, costing records of our purchased products and the sources used.

(iv)9.7b

Progressive knowledge and development of the supply chain is derived from the cooperation of our suppliers and their own records. When detail is commercially sensitive we look to 3rd party assessments and verification for support and assistance.

(iv)9.7b

**MANAGEMENT AND CONTROL OF THE SUPPLY CHAIN**  
 Requirements and Practices

**14.2 WHAT WE DO CONTINUED**

(iv)9.1

**14.2.8 Cooperation With Our Monitoring Activities**

(iv)9.7b

We require from all our principle suppliers a written commitment to acknowledge the relevance and obligation to comply with SA8000:2001. This in turn requires them to apply similar controls on their suppliers, subcontractors and sub-suppliers if appropriate.

We accept that the written commitment is evidence of compliance but is not a sufficient guarantee. To better assess a supplier's performance, we focus on the supplier's plan of implementation, and verify that there is a system for continued review and application of the practices and obligations for social accountability throughout the supply chain.

(iv)9.7b

The evaluation and selection of suppliers and subcontractors on the grounds of social accountability policy needs for us to establish with suppliers programmes for compliance and continued improvement. It is therefore necessary to investigate the following on an ongoing planned and scheduled basis:

(iv)9.7b

- a) How do we and our suppliers select business partners in the supply chain?
- b) How do we engage and encourage our suppliers, subcontractors and sub-suppliers to seek compliance?
- c) What training and support do we as a company is providing for staff making the selection?
- d) How do we contribute to the suppliers', subcontractors' or sub-suppliers' plan to meet the intent of the standard?
- e) How do we ensure adequate lead times are accommodated in orders, establishing better contractual terms in return for demonstration of (or substantial advances towards) compliance with the standard's requirements?

We acknowledge that these requirements apply equally to labour suppliers, including temporary employment agencies and homeworkers.

(iv)9.7b

In reviewing the treatment of contract labourers and homeworkers, we investigate the intent of these arrangements and query if they are significant in number and regularity.

(iv)9.7b

Records are maintained and reviewed showing the details collected and the review we have made of the findings and conclusions which can be instrumental in commencing corrective and preventive measures with suppliers.

(iv)9.7b

## MANAGEMENT AND CONTROL OF THE SUPPLY CHAIN

Requirements and Practices

### 14.2 WHAT WE DO CONTINUED

(iv)9.1

#### 14.2.9 Supplier Response to Remedial and Corrective Action

(iv)9.7c

We raise corrective action requests on suppliers who have failings in respect of our requirements for social accountability. This requires corrective action to be put in place in respect of:

(iv)9.10

- a) Poor resources management;
- b) Evidence of practice of child labour;
- c) Evidence of practice of forced labour ;
- d) Inadequate provision or practices for health and safety;
- e) Interference in freedom of association & right to collective bargaining;
- f) Evidence of discrimination practices;
- g) Unacceptable disciplinary practices;
- h) Infringement on arrangements for working hours;
- j) Inadequate basic remuneration;

The documented procedures and practice adopted in this respect cover the responsibilities imposed on a supplier for taking action to mitigate any consequences arising from such deviations, accidents, incidents or non-conformities.

(iv)9.7c

(iv)9.10

Our own practices ensure that analysis of all deviations is undertaken at planned intervals and any subsequent changes to the supplier's use or development of business is reviewed to ensure that the action being taken or advocated will not introduce additional problems or compromise existing measures.

(iv)9.7c

(iv)9.10

We have established and maintained procedures for defining supplier corrective action and our own responsibility. This includes authority to handle such matters, whilst taking action to mitigate any dangers or impacts caused and for initiating and completing supplier corrective and preventive action.

(iv)9.7c

(iv)9.10

Any corrective or preventive action taken by a supplier to eliminate the causes of such events must be appropriate to the magnitude of problems and commensurate with the frequency and implications of the unacceptable practices encountered.

(iv)9.7c

(iv)9.10

We require that suppliers implement and record any changes in their documented procedures resulting from corrective and preventive action.

(iv)9.7c

(iv)9.10

We have developed our handling and control of supplier incidents and non-conformance through experience derived from our supporting management improvements programme. The experience and techniques used have been deployed in our quality, environment, health and safety, IT security and finance management systems.

(iv)9.7c

(iv)9.10

When we encounter or identify supplier incidents or non-conformances we take immediate action to address the problem, limit its interference with our own company social accountability programme and seek to prevent reoccurrence by supporting our supplier's preventive and corrective measures.

(iv)9.7c

(iv)9.10

## MANAGEMENT AND CONTROL OF THE SUPPLY CHAIN

Requirements and Practices

### 14.2 WHAT WE DO CONTINUED

(iv)9.1

#### 14.2.9 Supplier Response to Remedial and Corrective Action

(iv)9.7c

A failure in the management of a supplier's social accountability and management of labour conditions has implications for our own process, product and performance confidence from a social accountability and corporate governance perspective. Such conformance or failures must be corrected and its mitigation needs to be progressed at planned stages.

(iv)9.10

Supplier non-conformances are reviewed and corrected as a result of undertaking the following management activities:

(iv)9.7c

(iv)9.10

a) **Audits** Checks undertaken on supplier procedures to ensure compliance with their own documented management systems and to bring documented procedures into line with better more acceptable practices;

(iv)9.7c

(iv)9.10

(iv)9.5d

b) **Reviews** Planned assessments of the suppliers data and the decision recorded to ensure planned arrangements are now being achieved;

(iv)9.7c

(iv)9.10

(iv)9.10

c) **Checks** Verification and Validations on a supplier's activity usually undertaken to confirm compliance with a specified requirement, objective or standard. This may be needed to prevent any problem or because a labour issue needs to be highlighted at a stage which would be difficult to control or rectify later.

(iv)9.7c

(iv)9.10

(iv)9.10

d) **Measurement** The means by which a particular aspect or social accountability parameter is quantified.

(iv)9.7c

(iv)9.10

e) **Testing** The means by which a representative sample of decisions or results are analysed to prove conformance to a given set of parameters.

(iv)9.7c

(iv)9.10

(iv)9.5d

These methods of measurement and handling supplier non-conformance enable us to apply an element of steering in the supply chain management and to operate sound decisions and practice controls within our commitment to sound supplier social accountability as part of our own corporate governance.

(iv)9.7c

(iv)9.10

(iv)9.5d



## MANAGEMENT AND CONTROL OF THE SUPPLY CHAIN

Requirements and Practices

### 14.2 WHAT WE DO CONTINUED

*(iv)9.1*

#### 14.2.10 Supplier Business Relationships

*(iv)9.7d*

*(iv)9.13*

We seek to ensure our suppliers are as committed to meeting the requirements of the standard as we are and they appreciate the benefit internally, by having greater employee commitment and company identity, as well as externally, by having the perspective and status of a socially accountable employer.

It is important that our approved and registered suppliers partner us in understanding what is expected of them and for us to have a programme and plan for monitoring our suppliers for conformance.

*(iv)9.7d*

*(iv)9.13*

We therefore agree metrics with our suppliers against which we can jointly monitor their compliance and we can assess their ability and achievement from a social accountable perspective.

*(iv)9.7d*

The following list of activities is employed and used to develop the partnering activity and culture in respect of social accountability in a supplier's management systems:

*(iv)9.7d*

- Conducting supplier training to outline requirements and potential benefits inherent in the system;
- Performing second party supplier audit and assessments;
- Encourage certification or a compliance assessment to SA8000 for our major and principle suppliers;
- Acquiring a copy of suppliers' system procedures and policies;
- Review and participate in a suppliers internal audits;
- Assess the results of code of conduct audits (2nd party);
- Encourage the request for second party audit;
- Issue and review the response to our standard SA8000:2001 social accountability questionnaire and self assessment;
- Retain a letter of commitment by suppliers senior management as part of supplier evaluation and approval;
- Contact by telephone to review policies and have use of digital photos, PDF files and e-mail to facilitate exchange of electronic data for use in corroborating information.

We encourage with our suppliers the use of good consistent documentation in order to set up and operate a functional management system. Through records, reviews and audits we can identify the missing or inadequate components in a supplier's practices and in our own.

*(iv)9.7d*

This approach helps to systemise compliance and ensure ongoing effective communication between workers and management.

*(iv)9.7d*



## MANAGEMENT AND CONTROL OF THE SUPPLY CHAIN

Requirements and Practices

### 14.2 WHAT WE DO CONTINUED

(iv)9.1

#### 14.2.11 Maintaining Reasonable Evidence

(iv)9.8  
 (iv)9.14

We accept that extensive documentation of a management system does not indicate conformance with all SA8000 requirements because it will not reflect performance and since SA8000 is primarily a benchmark of worker rights and working conditions, we look to a supplier's performance and commitment in displaying the type of conduct that we seek in association with the business we perform.

To better assess a supplier's performance we look for implementation and verify that there is a system for continued review and application of the practices and obligations for social accountability. The following are some examples of documents and activities that we record and review as indicators of a supplier's compliance with our requirements:

(iv)9.8  
 (iv)9.14

- Comprehensive commitment to all SA8000 standard;
- Regular management reports on social compliance;
- Owners and/or the board of directors meeting minutes;
- Social Accountability Statement that defines program and policies for social accountability published in language(s) used by employees;
- Management review and monitoring reports;
- An accessible Management Representative who is responsive to workers' concerns;
- Appointment of Social Accountability Worker Representative;
- A recognised difference between the Social Accountability Worker Representative and any trade union representation;
- Use of an internal, confidential complaints system by workers;
- Signed statements from sub-suppliers of commitment to implement SA8000;
- Evidence of internal and supplier audits or monitored supplier, subcontractor and sub-supplier operations.

Records are maintained and reviewed showing the details collected and the review we have made of the findings and conclusions which can be instrumental in commencing corrective and preventive measures with suppliers.

(iv)9.8  
 (iv)9.14

We require that suppliers implement and record any changes in their documented procedures resulting from corrective and preventive action.

(iv)9.8  
 (iv)9.14

## MANAGEMENT AND CONTROL OF THE SUPPLY CHAIN

Requirements and Practices

### 14.2 WHAT WE DO CONTINUED

(iv)9.1

#### 14.2.12 Level of Protection for Home-workers

(iv)9.9

Suppliers are not prohibited from use of homeworkers provided that the following requisites and prescriptions can be suitably identified and are correctly practiced:

(iv)9.14

- (a) Suppliers must establish legally-binding written purchasing contracts requiring conformance to minimum criteria in accordance with the requirements of the SA8000:2001 standard; (iv)9.9a  
(iv)9.14
- (b) Suppliers are ensuring that the requirements of the written purchasing contract are understood and implemented by homeworkers and all other parties involved in the purchasing contract; (iv)9.9b  
(iv)9.14
- (c) Suppliers are maintaining, on the company premises, comprehensive records detailing the identities of homeworkers; the quantities of goods produced/services provided and/or hours worked by each homeworker; (iv)9.9c  
(iv)9.14
- (d) The supplier undertakes frequent announced and unannounced monitoring activities to verify compliance with the terms of the written purchasing contract. (iv)9.9d  
(iv)9.14

In addition to our suppliers and service providers with whom we have an established relationship, it is often necessary to subcontract and out-source tasks during high work-loads and when known suppliers are overreaching their capacity. (iv)9.6  
(iv)9.11

We must sometimes resort to the use of temporary employment of people, new suppliers and new sources of material to maintain the objectives that we set as a business. (iv)9.6  
(iv)9.11

The human resources used in the company are employees and contractors, both of which constitute a resource needed for the sustainability of the company, the products and the service with which we are credited. (iv)9.6  
(iv)9.11

Control and development of suppliers, contractors and our own personnel is the responsibility of the Divisional Head to whom they are assigned. (iv)9.6  
(iv)9.11

They ensure those working without supervision or under instruction are suitably experienced and have the competence needed to complete the tasks assigned. (iv)9.6  
(iv)9.14

## MANAGEMENT AND CONTROL OF THE SUPPLY CHAIN

Procedures and Responsibilities

### 14.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES

The following documented procedures are maintained and implemented within the company for the effective implementation of this policy:

*(iv)9.1d*  
*(iv)9.6-9*  
*(iv)9.14*

SA14/001	Management and Control of the Supply Chain	(iv)9.6
SA14/002	Supplier Practices and Records	(iv)9.7
SA14/003	Evidence of Supplier Compliance and Control	(iv)9.8
SA14/004	Homeworkers	(iv)9.9

The following procedures and practices support and contribute to these objectives:

SA01/001	Social Accountability Management System	(iv)9.0
SA01/003	Social Accountability Laws and Conventions	
SA03/004	Training and Information	(iv)9.5bc
SA03/005	Management Representative	(iv)9.3,
SA03/006	Employee Representative	(iv)9.4
SA04/001	Resources Management	(iv)9.11
SA05/001	Child Labour	(iv)1.0
SA06/001	Forced Labour	(iv)2.0
SA07/001	Health and Safety	(iv)3.0
SA08/001	Freedom of Association & Right to Collective Bargaining	(iv)4.0
SA09/001	Discrimination	(iv)5.0
SA10/001	Disciplinary Practices	(iv)6.0
SA11/001	Working Hours	(iv)7.0
SA12/001	Remuneration	(iv)8.0
SA13/001	Social Accountability Planning	(iv)9.5
SA13/002	Building on a framework	
SA13/003	Establishing a management strategy	
SA13/004	Identifying threats and unacceptable conditions	
SA13/005	Identifying stakeholders needs	
SA13/006	Determining and managing the priorities	
SA13/007	Planning for Management of Individual Issues	
SA13/008	Monitoring, Measuring and Analysis	(iv)9.5d
SA15/001	Analysis of Non-compliance and Corrective Action	(iv)9.10
SA16/001	Continuous Improvement	(iv)9.1c
SA17/001	Communications	(iv)9.12
SA18/001	Access, Audits and Assessments	(iv)9.13
SA19/001	Management Review	(iv)9.2
SA20/001	Company Social Accountability Records	(iv)9.14

### 14.4 RESPONSIBILITY

The Managing Director is responsible for this social accountability Management and Control of the Supply Chain Policy.

*(iv)9.5d*  
*(iv)9.6-9*

**END OF SECTION 14**

## ANALYSIS OF NON-COMPLIANCE AND CORRECTIVE ACTION

Policy and Requirements

- 15.0 POLICY** *(iv)9.1*  
*(iv)9.0*
- We shall analyse the results and product of our social accountability system to identify any aspects of non-conformance which need corrective action or would benefit from preventive measures or present opportunities for additional improvements.
- In doing so we shall seek to comply with clause (iv) 9.10 of the international standard SA8000:2001. *(iv)9.10*
- 15.1 WHAT IS REQUIRED** *(iv)9.1a*  
*(iv)9.10*
- We are required to investigate, address and respond to the concerns of employees and other interested parties with regard to conformance or non-conformance with the company's policy or the requirements of the SA8000:2001 standard.
- 15.1.1 We must refrain from disciplining, dismissing or otherwise discriminating against any employee for providing information concerning observance of the SA8000:2001 standard. *(iv)9.10*
- 15.1.2 The company must implement remedial and corrective action and allocate adequate resources appropriate to the nature and severity of any non-conformance identified against the company's social accountability policy or the requirements of the SA8000:2001 standard. *(iv)9.10*
- 15.2 WHAT WE DO** *(iv)9.1d*  
*(iv)9.10*
- We have developed our handling and control of incidents and non-conformance through experience derived from our supporting management improvements programme. The experience and techniques used have been deployed in our quality, environment, health and safety, IT security and Corporate Governance management systems.
- 15.2.1 When we encounter or identify social accountability incidents or non-conformances we take immediate action to address the problem, limit its interference with our company programme and prevent its reoccurrence. *(iv)9.1d*  
*(iv)9.10*
- 15.2.2 Analysis of errors, non-conformances in requirements for reasonable labour conditions and incidents of system deviations is completed as part of our standard social accountability programme. *(iv)9.1d*  
*(iv)9.10*
- 15.2.3 This incorporates corrective measures for any identified incidents. In addition we analyse all incidents, data and records to look for unacceptable frequencies, trends or major adverse issues and elements in our practices as well as our own operations. *(iv)9.1d*  
*(iv)9.10*
- 15.2.4 We apply our corrective and preventive actions to the social accountability commitments as part of our corporate governance and company activities. This process is founded on the operations and product taken from our non-conformance identification and handling plan. *(iv)9.1d*  
*(iv)9.10*
- 15.2.5 Preventive measures are taken when the potential for incidents, errors, labour problems or unacceptable conditions are identified. Analysis of targets, records and data is directed at this objective. *(iv)9.1d*  
*(iv)9.10*

## ANALYSIS OF NON-COMPLIANCE AND CORRECTIVE ACTION

Requirement and Practices

### 15.2 WHAT WE DO CONTINUED

*(iv)9.1d*

#### 15.2.6 System Analysis for Compliance or Failure

*(iv)9.1d*

A failure in the management of the social accountability objectives and system's operation has implications for process, product and performance confidence from a social perspective. Such conformance or failures are identified at planned stages as a result of undertaking social accountability management activities such as:

*(iv)9.10*

- a) **Audits** Checks undertaken on procedures and practices;
- b) **Reviews** Planned assessments of the data and decision;
- c) **Checks** Verification and Validations on events;
- d) **Measurement** Conformance with a predetermine parameter;
- e) **Testing** Results are analysed to prove conformance with a given set of parameters.

These methods of measurement and handling social accountability non-conformance enable us to apply an element of steering in business management and to operate sound decisions and practice controls within our commitment to sound corporate governance.

*(iv)9.1d*

*(iv)9.10*

*(iv)9.5d*

*(iv)9.11*

15.2.7 In this respect we investigate, address, and respond to the concerns of employees and other interested parties with regard to conformance/non-conformance with the company's policy and the requirements of the SA8000:2001 standard.

*(iv)9.1d*

*(iv)9.10*

*(iv)9.5d*

*(iv)9.11*

15.2.8 We investigate and report on all employee complaints and incidents relating to actions of discipline, dismissing or discrimination due to an employee providing information concerning an observance of the company policy, practices or social accountability standards.

*(iv)9.1d*

*(iv)9.10*

*(iv)9.5d*

*(iv)9.11*

15.2.9 Having put in place the means by which we identify incidents, it is essential that action appropriate to the non-compliance or potential for errors are taken. This is the subject of sections 4 and 16 of this policy manual.

*(iv)9.1d*

*(iv)9.10*

*(iv)9.5d*

*(iv)9.11*

15.2.10 We have a documented procedure which is implemented for remedial and corrective action in response to identified incidents requiring corrective and preventive measures. This is supported with adequate resources appropriate to the nature and severity of any non-conformance identified against the company's policy or the requirements of the AS8000:2001 standard.

*(iv)9.1d*

*(iv)9.10*

*(iv)9.5d*

*(iv)9.11*

## ANALYSIS OF NON-COMPLIANCE AND CORRECTIVE ACTION

Requirement and Practices

### 15.2 WHAT WE DO CONTINUED

- |   |  |
|---|--|
|   | <i>(iv)9.1</i>   |
| 15.2.11 Addressing concerns and taking corrective action are important elements of our improvements programme and objectives in social accountability.  | <i>(iv)9.1d</i><br><i>(iv)9.10</i>                                       |
| 15.2.12 They are significant components of the communication mechanism between our employees and the management. We therefore have recognised the importance of concerns raised by employees, external authorities and other interested parties.  | <i>(iv)9.1d</i><br><i>(iv)9.10</i><br><i>(iv)9.5d</i><br><i>(iv)9.12</i> |
| 15.2.13 Our corrective action procedure details the systems and practices we employ for processing and investigating complaints and for reporting out on how such complaints have been addressed.   | <i>(iv)9.1d</i><br><i>(iv)9.10</i>                                       |
| 15.2.14 When the company receives notice of non-conformance to the standard, either from employees or other interested parties, appropriate corrective action has to be taken in a timely fashion.  | <i>(iv)9.1d</i><br><i>(iv)9.10</i><br><i>(iv)9.5d</i><br><i>(iv)9.11</i> |
| 15.2.15 Such remedial and corrective action is agreed and assessed to guarantee that all the SA8000:2001 standard requirements are met. Priority, in terms of time and resources, is always given to areas where major violations of SA8000 requirements have occurred.   | <i>(iv)9.1d</i><br><i>(iv)9.10</i><br><i>(iv)9.5d</i><br><i>(iv)9.11</i> |
| 15.2.16 All preventive measures are opportunities for improvements and the identification of sources of information needs to be part of our strategy for continuous improvement in the social accountability of the business.   | <i>(iv)9.1d</i><br><i>(iv)9.10</i><br><i>(iv)9.5d</i><br><i>(iv)9.11</i> |
| 15.2.17 The handling, registration and analysis of employee concerns is used to identify trends and frequencies from the data that we receive and record in the communications register. This gives valuable data on matters which are of concern to the company business.  | <i>(iv)9.1d</i><br><i>(iv)9.10</i><br><i>(iv)9.5d</i><br><i>(iv)9.11</i> |
| 15.2.18 If the analysis of concerns shows the need for preventive action, a case is presented to the an assessment team for recommendations to be prepared for top management consideration. This will advocate suitable preventive measure. if action is deemed to be appropriate.   | <i>(iv)9.1d</i><br><i>(iv)9.10</i><br><i>(iv)9.5d</i><br><i>(iv)9.11</i> |
| 15.2.19 Trends and frequencies which give rise to data which can be used in preventive measures. These give early indications of unacceptable results occurring or targets being missed. Preventive actions can be considered to correct any concerns which relate to possible exposure to hazards or the misuse of authorities and facilities. | <i>(iv)9.1d</i><br><i>(iv)9.10</i><br><i>(iv)9.5d</i><br><i>(iv)9.11</i> |



## ANALYSIS OF NON-COMPLIANCE AND CORRECTIVE ACTION

Procedures and Responsibilities

### 15.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES

The following documented procedures are maintained and implemented within the company for the effective implementation of this policy:

*(iv)9.1d*  
*(iv)9.10*

SA01/001	Social Accountability Management System	(iv)9.0
SA02/002	Effective Implementation of Policy	(iv)9.1
SA03/003	Roles, Responsibilities and Authorities	(iv)9.5a
SA04/001	Resources Management	(iv)9.11
SA09/001	Discrimination	(iv)5.0
SA10/001	Disciplinary Practices	(iv)6.0
SA13/001	Social Accountability Planning	(iv)9.5
SA13/002	Building on a framework	
SA13/003	Establishing a management strategy	
SA13/004	Identifying threats and unacceptable conditions	
SA13/005	Identifying stakeholders needs	
SA13/006	Determining and managing the priorities	
SA13/007	Planning for Management of Individual Issues	
SA13/008	Monitoring, Measuring and Analysis	(iv)9.5d
SA14/001	Management and Control of the Supply Chain	(iv)9.6,
SA14/002	Supplier Practices and Records	(iv)9.7
SA14/003	Evidence of Supplier Compliance and Control	(iv)9.8
SA14/004	Home-workers	(iv)9.9
SA15/001	Analysis of Non-compliance and Corrective Action	(iv)9.10
SA16/001	Continuous Improvement	(iv)9.1c
SA17/001	Communications	(iv)9.12
SA18/001	Access, Audits and Assessments	(iv)9.13
SA19/001	Management Review	(iv)9.2
SA20/001	Company Social Accountability Records	(iv)9.14

### 15.4 RESPONSIBILITY

The Managing Director is responsible for this social accountability Analysis of Non-Compliance and Corrective Action Policy.

*(iv)9.5d*  
*(iv)9.10*

**END OF SECTION 15**



## CONTINUOUS IMPROVEMENT

Policy and Requirements

- 16.0 POLICY** *(iv)9.1*  
*(iv)9.1c*
- We shall persistently seek to find ways, methods and opportunities to continuously improve our social accountability and the systems which host our reputation for fairness and correctness in dealing with labour and employee issues.
- In doing so we shall seek to comply with clause (iv) 9.1c of the international standard SA8000:2001. *(iv)9.1c*
- 16.1 WHAT IS REQUIRED** *(iv)9.1a*  
*(iv)9.1c*
- The international quality standard SA8000:2001 requires us to plan and manage the policy, systems, processes and procedures necessary for the continual improvement of our social accountability management system.
- 16.2 WHAT WE DO** *(iv)9.1c*
- We continually seek to improve our social accountability opportunities by adopting a management system in line with the requirements of the international standard SA8000:2001.
- 16.2.1 We try to predict problems rather than wait for a problem to reveal the opportunities for improvement. *(iv)9.1c*
- 16.2.2 The efficiency and effectiveness of our social accountability management operations are emphasised when corrective actions or preventive measures are taken. The corrective and preventive actions, together with authorised improvement changes, are monitored to ensure that the desired results and goals are achieved. *(iv)9.1d*  
*(iv)9.1c*
- 16.2.3 Evidence of improvements is derived from changes to our social accountability management system practices, company processes and even a revision of the management system documentation and procedure. These are all reviewed as a means of ensuring and monitoring the continuous improvements that we seek in our business activities from the perspective of a social accountability management system. *(iv)9.1d*  
*(iv)9.1c*
- 16.2.4 Corrective actions are agreed to remove a cause of continual problems in the social accountability management system or a major problem that would be a significant obstacle to the future of the company policy. *(iv)9.1d*  
*(iv)9.1c*
- 16.2.5 Preventive actions are taken when a problem is perceived as a potential for error or social accountability management system difficulties are continually being encountered. Exceptions to our standard systems and practices are noted and observed. These are incorporated into our practices as a means of ensuring their management and the development of our quality management system. *(iv)9.1d*  
*(iv)9.1c*
- 16.2.6 Both corrective and preventive actions are processed as projects designed to create improvements in our social accountability management system practices and performance as a respected and responsible company. *(iv)9.1d*  
*(iv)9.1c*  
*(iv)9.10*

## CONTINUOUS IMPROVEMENT

### Requirements and Practice

#### 16.2 WHAT WE DO CONTINUED

*(iv)9.1*

16.2.7 We plan all social accountability improvement projects to ensure that the resources used are directed at the tasks, which have been agreed for development. Resources are not always available when the social accountability opportunities are. It is therefore important to direct the company resources at the areas which will realise the most benefit. Improvements are classified as:

*(iv)9.1d*  
*(iv)9.1c*

- a) Significant These have a direct impact on our compliance with SA8000:2001;
- b) Desirable These are perceived as being of medium to long term benefit to the social accountability programme and policies of the company;
- c) Supportive These assist in the effectiveness of other aspects, providing records and data on which to make correct or better informed decisions;
- d) Small Collectively important but difficult to justify on their own merit.

16.2.8 The corrective and preventive actions discussed in section 15 of this manual together with authorised improvement changes are monitored to ensure that the desired goals are met. A social accountability improvement project is adopted when it can be proven to:

*(iv)9.1d*  
*(iv)9.10*  
*(iv)9.1c*

- a) Contribute to the social accountability resources;
- b) Help us achieve our social accountability commitment;
- c) Assist in meeting our legal and statutory obligations;
- d) Contribute to our social accountability policy objectives;
- e) Communicate our social accountability documented practices;
- f) Assists in the selection and evaluation of suppliers;
- g) Enhance our measurement and monitoring capability;
- h) Contribute to our culture for continuous improvements;
- j) Removes potential for social accountability non-conformance

*(iv)9.1c*

16.2.9 Our improvement planning is derived from our own business directives, which are prescribed for the small step continual improvement programme consisting of:

- a) Identifying a Reason for Improvement;
- b) Defining the Current Situation;
- c) Analysis (Root Causes Analysis of Problem Source);
- d) Solution Identification;
- e) Effect Evaluation;
- f) Select Improvement Action;
- g) Standardisation of New Solution;
- h) Evaluation of Improvement Project.

POLICY MANUAL  
CLAUSE  
REFERENCE

SA8000:2001  
CLAUSE  
REFERENCE

## CONTINUOUS IMPROVEMENT

Requirements and Practice

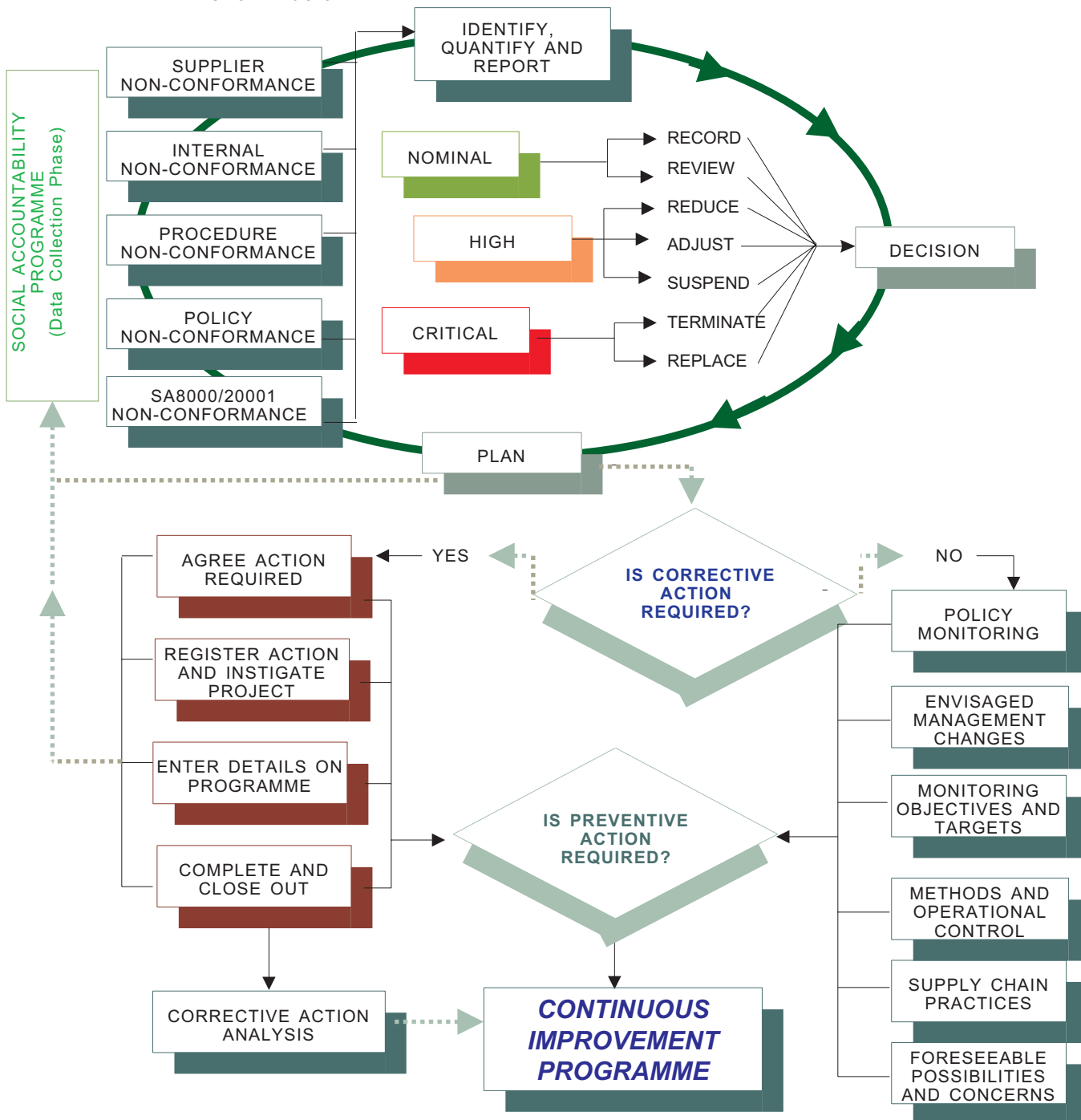
### 16.2 WHAT WE DO CONTINUED

(iv)9.1

16.2.10 We develop all social accountability improvements as an integrated part of our corrective and preventive measures. This practice is shown below:

(iv)9.0

(iv)9.1c



POLICY MANUAL  
 CLAUSE  
 REFERENCE

## CONTINUOUS IMPROVEMENT

Procedure and Responsibilities

SA8000:2001  
 CLAUSE  
 REFERENCE

### 16.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES

The following documented procedures are maintained and implemented within the company for the effective implementation of this policy:

*(iv)9.1d*  
*(iv)9.1c*

SA01/001	Social Accountability Management System	(iv)9.0
SA02/001	Social Accountability Policy Management	(iv)9.1
SA02/002	Effective Implementation of Policy	(iv)9.1
SA03/001	Company Structure and Responsibilities	(iv)9.5a
SA03/002	Organisational Structure,	(iv)9.5a
SA03/003	Roles, Responsibilities and Authorities	(iv)9.5a
SA03/004	Training and Information	(iv)9.5bc
SA03/005	Management Representative	(iv)9.3,
SA03/006	Employee Representative	(iv)9.4
SA04/001	Resources Management	(iv)9.11
SA13/001	Social Accountability Planning	(iv)9.5
SA13/002	Building on a framework	
SA13/003	Establishing a management strategy	
SA13/004	Identifying threats and unacceptable conditions	
SA13/005	Identifying stakeholders needs	
SA13/006	Determining and managing the priorities	
SA13/007	Planning for Management of Individual Issues	
SA13/008	Monitoring, Measuring and Analysis	(iv)9.5d
SA14/001	Management and Control of the Supply Chain	(iv)9.6,
SA14/002	Supplier Practices and Records	(iv)9.7
SA14/003	Evidence of Supplier Compliance and Control	(iv)9.8
SA14/004	Home-workers	(iv)9.9
SA15/001	Analysis of Non-compliance and Corrective Action	(iv)9.10
SA16/001	Continuous Improvement	(iv)9.1c
SA17/001	Communications	(iv)9.12
SA18/001	Access, Audits and Assessments	(iv)9.13
SA19/001	Management Review	(iv)9.2
SA20/001	Company Social Accountability Records	(iv)9.14

### 16.4 RESPONSIBILITY

The Managing Director is responsible for this Social Accountability Continuous Improvement Policy.

*(iv)9.5a*  
*(iv)9.1c*

**END OF SECTION 16**

**COMMUNICATIONS**  
 Policy and Requirements

- 17.0 POLICY** *(iv)9.1*  
*(iv)9.12*
- We shall communicate regularly to all interested parties, the required data and other information regarding our social accountability intentions, policy achievements and performance.
- In so doing we shall seek to comply with clause (iv) 9.12 of the international standard SA8000:2001. *(iv)9.12*  
*(iv)9.1c*
- 17.1 WHAT IS REQUIRED** *(iv)9.1a*  
*(iv)9.12*
- We are required to establish and maintain procedures to communicate on a regular basis with all interested parties details, data and other information regarding our performance against the requirements of the SA8000:2001 standard.
- 17.1.1 In addition we are required to make the specified requirements known and publish specific related documents including: *(iv)9.12*
- a) The results of management reviews;
  - b) Programmed social accountability monitoring activities details; *(iv)9.12*
  - c) Products and progress of our social accountability system;
  - d) Any other details agreed to be relevant to our policy.
- 17.1.2 We are required to have in place the means and practices to communicate regularly to inform all known stakeholders, particularly workers, about certification to and ongoing compliance with the SA8000:2001 International Standard. *(iv)9.1d*  
*(iv)9.12*
- 17.1.3 We are required to provide all interested parties with information on social accountability issues which our management have access to and make it publicly available to the management. *(iv)9.1d*  
*(iv)9.12*
- 17.1.4 We must recognise that the chief purpose of external communication is to keep the SA8000:2001 social accountability management system open and transparent to any interested party. *(iv)9.12*
- 17.1.5 Our management must provide, upon request and at agreed intervals, the results of their internal management reviews and monitoring activities to all nominated and registered authorities who have an interest or contribution to make to our social accountability programme and performance. *((iv)9.12*
- 17.2 WHAT WE DO** *(iv)9.5*  
*(iv)9.12*
- By sharing relevant data and other information, our management receive feedback and suggestions that facilitate continual compliance for the company and identifies improvement opportunities from a social accountability perspective.
- We therefore have established a communications team to ensure a two way exchange of views, data and information is generated and made available. *(iv)9.12*
- This ensures that details and reports are correctly transmitted and communicated in a timely and agreed fashion to those who are dependent or have a contribution to make to the operations of the management practices and results. *(iv)9.12*

## COMMUNICATIONS

Requirements and Practice

- 17.2 WHAT WE DO CONTINUED** *(iv)9.1d*  
*(iv)9.12*
- We document and internally communicate our policy and procedures which ensure that all pertinent social accountability and labour management information is conveyed to and from the management, authorities, employees and any other involved or interested parties.
- 17.2.1 We have established appropriate procedures and systems for ensuring that pertinent information is communicated to and from employees and those involved in the supply chain. *(iv)9.12*
- 17.2.2 We aim to have transparency whilst recognising that this may not always be possible because of the sensitivity of the risk and practices involved. *iv)9.12*
- 17.2.3 Suppliers, shareholder, employees and other stakeholder involvement with consultation arrangements are registered and their involvement or interest is documented. All interested parties are informed of our practices and any developments or changes in matters of labour conditions, controls or projects that we instigate or intend. In this respect our managers, suppliers, shareholders and employees are:
- a) permitted to be involved in the development and review of policies and procedures which influence labour conditions and risks;
  - b) consulted when there are any changes that affect their interests or welfare;
  - c) allowed to be represented on social accountability, corporate governance and risk management discussions, exchanges and decisions matters;
  - d) informed as to who their respective representative is and who the company appointed point of communication is (their Management System Representative).
- 17.2.4 Our Management Policy and Procedures are documented and available to all employees and interested parties. The documents which convey the policy and detail of our practices are discussed in published documents and consist of: *(iv)9.12*
- Social Accountability Policy Manual
  - Social Accountability Procedures Manual
  - Social Accountability Task Instruction Manuals
  - Social Accountability Instructions Manuals
  - Social Accountability Records and Prescription Register
- The following documents are considered highly relevant to the effective communication of risk management: *(iv)9.12*
- Social Accountability Programmes
  - Social Accountability Assessments and issue records
  - Social Accountability Project Plans and Statements
  - Social Accountability Practice Detail Instructions
  - Social Accountability Forms and Records

**COMMUNICATIONS**  
 Requirements and Practice

**17.2 WHAT WE DO CONTINUED**

- 17.2.5 Our policy for Social Accountability is displayed in controlled copies of the Policy Manual, Procedures Manual and Employees Handbooks. It is also issued to all shareholders upon registration of their membership and is available upon request from the Company Secretary to any interested party. (iv)9.1d

It is published annually and placed on permanent notice within our company website for interested parties to read and to communicate our Social Accountability commitment and intention on a global basis. (iv)9.12
- 17.2.6 Our shareholders and employees considerations, preferences and needs in respect of the management of our business are accommodated by a programme of consultation management meetings, shareholders meetings and consultation seminars which consists of the Company Directors and Senior Management as well as nominated representatives from stakeholders and related authorities. The consultation meeting provides an opportunity for the management to present subjects of social accountability risk, stewardship, governance and development as well as receiving details of concerns and commendations on the interests of the parties involved. (iv)9.12
- 17.2.7 The Social Accountability consultation team meets on a quarterly basis which is planned in the company programme as part of our corporate governance. The meeting is classified as an event and a specific corporate governance issue. (iv)9.12
- 17.2.8 The team is comprised of Directors and Managers together with the elected Employee Representative, Company Representative and Senior Independent Directors. (iv)9.12
- 17.2.9 Managers and Non-executive Directors are also encouraged to attend, providing that the number is not deemed to be too large or intimidating to any other representatives. The sessions are chaired by the Company Management Representative and act as a sounding board for our policy and change management. A quorum of six members, including the three representatives as a mandatory attendance, is the minimum required by the Board of Directors for effective consultation and records of business to be formally submitted for considered action. (iv)9.12
- 17.2.10 In this respect our employees and shareholders are consulted and their input is encouraged and appreciated by the development and improvements which are brought about through their interests and commitment to the company policy and practices. (iv)9.12
- 17.2.11 Changes which are needed or approved as desirable are first discussed internally at the appropriate level and then with the parties, stakeholders, departments and employees who are directly involved. The Consultation Team are also involved when there are any changes that affect investments, workplace, employee welfare, process and security. All communications received on social accountability and labour management issues are discussed and reviewed by the Directors and the Management Representative. (iv)9.12



**COMMUNICATIONS**  
 Requirements and Practice

**17.2 WHAT WE DO CONTINUED** (iv)9.1d

17.2.12 The stakeholders and employees are always consulted through the appointed representative of the intentions to change existing practice or labour management issues. Once approved the Company Management Representative is tasked with recommending the best method of documenting the changes. (iv)9.12

17.2.13 The appointment of the management representative and employee representative is respected and incorporated in the management review meetings. The appointments are formally notified to the individuals in writing by the managing director, recorded in the meeting minutes and posted on the nominated notice boards. (iv)9.12

**17.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES** (iv)9.12  
 The following documented procedure is specifically maintained and implemented within the company for the effective implementation of this policy: (iv)9.1d

SA17/001	Communications	(iv)9.12
SA17/002	Consultation Team Meetings	(iv)9.12

It is supported and assisted by reference to the following practices:

SA01/001	Social Accountability Management System	(iv)9.0
SA01/002	Introduction to Social Accountability	
SA02/001	Social Accountability Policy Management	(iv)9.1
SA02/002	Effective Implementation of Policy	(iv)9.1
SA03/001	Company Structure and Responsibilities	(iv)9.5a
SA03/003	Roles, Responsibilities and Authorities	(iv)9.5a
SA03/004	Training and Information	(iv)9.5bc
SA03/005	Management Representative	(iv)9.3,
SA03/006	Employee Representative	(iv)9.4
SA04/001	Resources Management	(iv)9.11
SA08/001	Freedom of Association & Right to Collective Bargaining	(iv)4.0
SA13/001	Social Accountability Planning	(iv)9.5
SA13/002	Building on a framework	
SA13/003	Establishing a management strategy	
SA13/004	Identifying threats and unacceptable conditions	
SA13/005	Identifying stakeholders needs	
SA13/006	Determining and managing the priorities	
SA13/007	Planning for Management of Individual Issues	
SA13/008	Monitoring, Measuring and Analysis	(iv)9.5d
SA14/001	Management and Control of the Supply Chain	(iv)9.6,
SA15/001	Analysis of Non-compliance and Corrective Action	(iv)9.10
SA16/001	Continuous Improvement	(iv)9.1c
SA18/001	Access, Audits and Assessments	(iv)9.13
SA19/001	Management Review	(iv)9.2
SA20/001	Company Social Accountability Records	(iv)9.14

**17.4 RESPONSIBILITY** (iv)9.5a  
 The Managing Director is responsible for this Social Accountability Communications Policy. (iv)9.12

**END OF SECTION 17**

## ACCESS, AUDITS AND ASSESSMENT

Policy and Requirements

- 18.0 POLICY** (iv)9.1  
(iv)9.13
- We shall provide support and access to assess and measure the effectiveness of our social accountability practices against SA8000:2001 by use of internal audits, supplier audits and the use of external assessment informed authorities and practices.
- In doing so we shall seek to comply with clause (iv) 9.13 of the international standard SA8000:2001. (iv)9.13  
(iv)9.1c
- 18.1 WHAT IS REQUIRED** (iv)9.1a  
(iv)9.13
- We are required to provide reasonable information and access to interested parties seeking to verify conformance of our systems, practices and policy to the international standard SA8000:2001.
- 18.1.1 In addition similar information and access must be afforded by the company's suppliers and subcontractors through the incorporation of such a requirement in the company's purchasing contracts. (iv)9.13
- 18.1.2 We are required to be committed to a formal audit internally of the practices and procedures which make up our social accountability management system. (iv)9.13
- 18.1.3 We are required to make details of our systems and procedures available at all reasonable times for assessment by accredited authorities and interested parties subject to being given an agreed period of notice. (iv)9.1d  
(iv)9.13
- 18.2 WHAT WE DO** (iv)9.1d  
(iv)9.13
- We have an established documented system for the planning, operation and conduct of internal audits and external assessments. These practices prescribe the actions and facilities required to provide suitable access for such practice to be supported and effectively conducted within our operations and those of our suppliers.
- 18.2.1 Internal Audits** (iv)9.13  
(iv)9.5d
- We ensure that the internal audits we undertake are substantive, by gathering data and facts through interviews and observations as well as documentary evidence found in our records. In addition, due to the objectives of our social accountability management system, we place a higher priority on verifying the performance of the system than on the existence of documentation.
- Each SA8000 element has its own documented procedure which contains a minimum audit requirement. This is transposed and addressed in the audit report. However, the auditor is at liberty to extend the audit to cover concerns, previous non-compliance or specific project objectives. (iv)9.5d  
(iv)9.13
- In addition to our specified requirements the audit is required to report on the inclusion of any notations on any accepted deviations as well as a brief overall description of the facility, aspect and the format of the interviews. (iv)9.5d  
(iv)9.13
- Diagrams and internal photographs figure significantly in our reports and auditors are encouraged to use communication technology, taking care not to record any proprietary equipment or process. (iv)9.5d  
(iv)9.13

## ACCESS, AUDITS AND ASSESSMENT

Requirements and Practices

### 18.2 WHAT WE DO

*(iv)9.1d*

#### 18.2.1 Internal Audits Continued

*(iv)9.13*

Our documented procedure includes an overview and system for a planned audit of the management system, its policy, effectiveness and compliance with documented requirements. The procedure includes:

- Purpose
- Responsibility
- Procedure
- Internal Audit Planning
- Audit Frequency
- Audit Criteria and Directive
- Auditor Selection
- Internal Audit Documents
- Audit Activity
- Registering Audit Results
- Internal Reviews
- Audit Non-compliance
- Resolving Problems Identified by Audits
- Related and Supporting Procedures
- Audit Requirement

In addition to the requirements for the above aspects of our internal auditing, there are expectations and conventions which the procedure recommends. This includes:

*(iv)9.5d*  
*(iv)9.13*

- a) Preparing the audit minimum requirements;
- b) Defining the audit scope;
- c) Compliance with local laws and legislation;
- d) Directives from acknowledged interested parties;
- e) Previous auditing issues and concerns;
- f) Facility location assessments and inspection;
- g) Contact with management and supervisors;
- h) Interviews with workers and operatives.

The social accountability management and practice procedures each contain a minimum requirement in the audit recommendations. There are however conventions for each audit which must be observed. These include:

*(iv)9.5d*  
*(iv)9.13*

- Making copies of key documents, including those where discrepancies are noted;
- Keeping information in the order given in the checklist;
- Recording notes of worker interviews, using a code or number to identify each interview, but never using an identifier which could be used to incriminate them;
- Keeping written records of the names of managers interviewed to facilitate follow-up actions or additional visits.

POLICY MANUAL  
CLAUSE  
REFERENCE

## ACCESS, AUDITS AND ASSESSMENT

Requirements and Practices

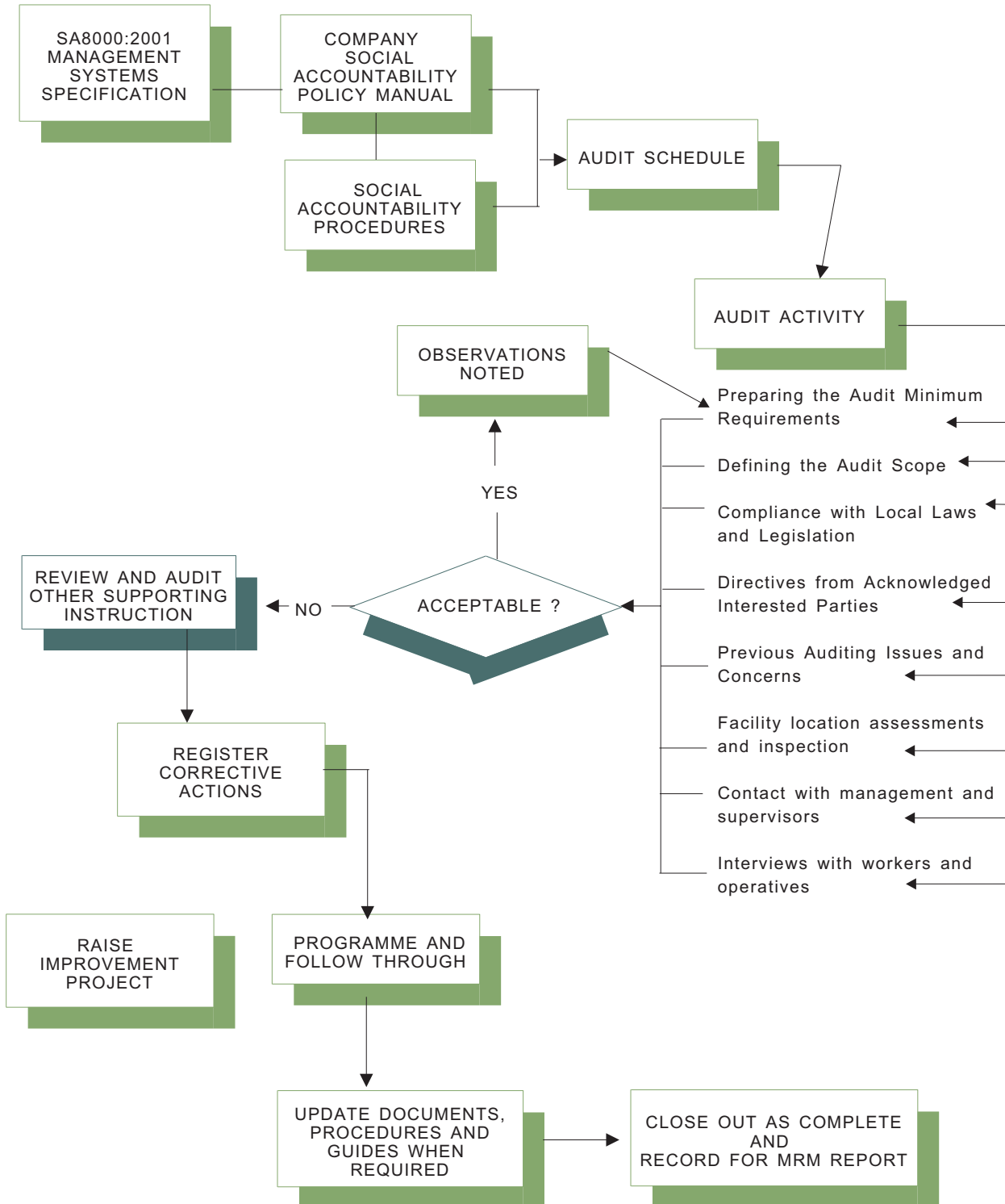
SA8000:2001  
CLAUSE  
REFERENCE

### 18.2 WHAT WE DO

(iv)9.1d

#### 18.2.1 Internal Audits Continued

(iv)9.13



## ACCESS, AUDITS AND ASSESSMENT

Requirements and Practices

### 18.2 WHAT WE DO

*(iv)9.1d*

#### 18.2.1 Internal Audits Continued

*(iv)9.13*

Our auditors need to be able to communicate with workers and management in their own language, culture and environment. Substantial effort is made to ensure that the auditors themselves comprehend the workers' statements and concerns.

*(iv)9.5d*

When the audit requires working overseas, it is often more suitable to use external independent national accredited authorities who are familiar with such matters and have the ability to communicate in all major languages and dialects in the communities we purchase from.

*(iv)9.5d*

*(iv)9.13*

The internal audit seeks to establish the facilities and commitment within a department, or at a suppliers, to attend, document, and maintain company social accountability and procedures which relate to labour conditions and controls.

*(iv)9.5d*

*(iv)9.13*

This requires the area or supplier to investigate the cause of non-conformance and develop and assess appropriate social accountability corrective measures for implementation in order to remedy and prevent recurrence;

*(iv)9.5d*

*(iv)9.13*

Reporting and recording the audit is the product of the exercise and is essential to the effectiveness of our social accountability. Reports prepared by the auditor always include:

*(iv)9.5d*

*(iv)9.13*

- a) All non-conformances found and mutually agreed with dates by which corrective and preventive action plans are proposed as well as by which dates such matters will be corrected;
- b) The signatures of key managers;
- c) Evidence of any non-conformance found.

Audit reports are concise but also informative. When a non-conformance is found we need details of what is involved and proposed as a corrective measure.

*(iv)9.5d*

*(iv)9.13*

In many cases, the audit will identify a number of issues to address after an audit, making it difficult to assess which actions must be taken first. In setting a schedule for addressing concerns, we first resolve any major Corrective Action Requests which are classed as severe, systemic or potentially endangering workers.

*(iv)9.5d*

*(iv)9.13*

## ACCESS, AUDITS AND ASSESSMENT

Requirements and Practices

### 18.2 WHAT WE DO

*(iv)9.1d*

#### 18.2.2 External Assessments

*(iv)9.13*

We are committed to ensuring our social accountability practices and performance is compatible and compliant with the international standard SA8000:2001.

*(iv)9.5d*

In this respect we have our systems and results assessed externally on an annual basis by a national accredited authority who is a recognised authority in the assessment of social accountability and working conditions.

*(iv)9.5d*

*(iv)9.13*

The following key aspects are identified and observed internally by the company to ensure such assessments are progressive and a successful social accountability development process is maintained:

*(iv)9.5d*

*(iv)9.13*

- a) Commitment of top management;
- b) Coordinated staff effort with worker participation;
- c) Improved communication with workers, trade union and other relevant groups;
- d) Integration of compliance and production goals;
- e) Screening of suppliers;
- f) Continuing education of contractors;
- g) On-going information gathering and management reviews;
- h) Appropriate and timely responses to problems found as complaints & concerns raised.

We seek to demonstrate to the assessment authority and other interested parties the following aspects of our system and performance:

*(iv)9.5d*

*(iv)9.13*

- a) Commitment of the top management of the certification body;
- b) Ongoing communication with trade unions, NGO groups and other experts;
- c) Effective training of all personnel involved with SA8000 audits;
- d) Effective management of documentation and reports related to the auditing;
- e) Appropriate and timely responses to complaints made by workers or interested parties.

**ACCESS, AUDITS AND ASSESSMENT**  
 Requirements and Practice

**18.2 WHAT WE DO CONTINUED**

*(iv)9.1d*

**18.2.3 Access and External Assessments**

*(iv)9.13*

*(iv)9.5d*

We are committed to ensuring transparency is maintained in our own social accountability practices and performance. As a result, access for the verification of social accountability and labour management is permitted at all reasonable times for assessment authorities and officials to our premises.

We cannot influence or control an external assessment and to do so would seriously impede its effectiveness or purpose. We do however seek to have in place a plan and procedure for all external assessments which can facilitate open and effective access for the authorities involved. A summary of the plan and its sequence is detailed as follows:

*(iv)9.5d*

*(iv)9.13*

- a) We request a certification audit by completing the appropriate forms;
- b) Discussion and agreement take place concerning the scope programme and commercial aspects of the assessment with the accredited certification body;
- c) The accreditation authority's lead auditor conducts a preliminary visit at which point we provide the auditor with a copy of this policy manual and its related procedures;
- d) At this visit the lead auditor is given a tour of our facility and identifies the options for the best location(s) to conduct worker interviews during the assessment;
- e) The lead auditor is given details and provided with access to workers' representatives and the trade union authorities representing our workers at the facility, when applicable;
- f) The lead auditor conducts a desk study of the management system and notes any significant omissions or deviations from the SA8000 requirements in a report which is then forwarded to us for appropriate action;
- g) We action the assessor's recommendations by modifying the management systems and procedures as appropriate;
- h) The auditors identify and alert us as to the types of records which will need to be available for the following visit and assessment. A copy of the audit schedule is requested.
- j) Once the company is certified, we commit to surveillance every six months.



## ACCESS, AUDITS AND ASSESSMENT

Requirements and Practice

### 18.2 WHAT WE DO CONTINUED

*(iv)9.1d*

#### 18.2.3 Access and External Assessments

*(iv)9.13*

*(iv)9.5d*

In order to comply with SA8000 we need to establish the scope of our certification which in turn directs the scope and detail of the external assessment's audit. The scope specifies the location(s) to be covered by the audit and all the processes and operations to be audited under the management system.

In doing so we must avoid adopting a social initiative but not applying it evenly or completely throughout our operations. Our policy and practices are representative of our social accountability and its certification is independent validation of our commitment and practice. This must include all known premises and operations, including remote sites and homeworkers operating under the management system.

*(iv)9.5d*

*(iv)9.13*

The issue and definition of scope is a major issue and has to be defined carefully in order to meet the intent of SA8000. In this respect we have prepared and operated a documented procedure for the management of the external assessments which we are committed to. This procedure covers:

*(iv)9.5d*

*(iv)9.13*

- a) Scope, detail and prospect of the assessment;
- b) Possible abuses of scope applications;
- c) Compliance with local laws;
- d) Consultations with interested parties;
- e) Purpose of the meeting/s;
- f) Convening a group meeting;
- g) Trade unions;
- h) Community organisations;
- j) Documentation of consultations;
- k) Auditing issues;
- l) Components of the audit;
- m) Records review.

We seek to demonstrate during assessments that our suppliers are equally committed to meeting the requirements of the SA8000:2001 standard. In this respect we monitor and measure our suppliers' social accountability practices and policy by undertaking:

*(iv)9.5d*

*(iv)9.13*

*(iv)9.6-9*

- a) Supplier training;
- b) Supplier audit (second party);
- c) Checks on NAA certification to SA8000;
- d) Review of suppliers system procedures and policies;
- e) Review of suppliers of internal audits;
- f) Review of code of conduct audits (2nd party);
- g) Supplier access for a second party audit;
- h) Completion of SA8000 suppliers questionnaire;
- j) Letter of commitment by suppliers senior management;
- j) Contact by telephone to review policies;
- k) Use of digital photos, PDF files and e-mail.

Through such records and reviews we seek to demonstrate that our own commitment and objectives are shared with our suppliers throughout the supply chain and verified at assessments.

*(iv)9.5d*

*(iv)9.13*

*(iv)9.14*

## ACCESS, AUDITS AND ASSESSMENT

Procedures and Responsibilities

### 18.3 RELATED SOCIAL ACCOUNTABILITY PROCEDURES

The following documented procedure is specifically maintained and implemented within the company for the effective implementation of this policy:

*(iv)9.1d*  
*(iv)9.13*  
*(iv)9.5d*

SA18/001      Access, Audits and Assessments      (iv)9.13

It is supported and assisted by reference to the following practices: *(iv)9.13*

SA01/001	Social Accountability Management System	(iv)9.0
SA01/002	Introduction to Social Accountability	
SA01/003	Social Accountability Laws and Conventions	
SA02/001	Social Accountability Policy Management	(iv)9.1
SA02/002	Effective Implementation of Policy	(iv)9.1
SA03/001	Company Structure and Responsibilities	(iv)9.5a
SA03/002	Organisational Structure,	(iv)9.5a
SA03/003	Roles, Responsibilities and Authorities	(iv)9.5a
SA03/004	Training and Information	(iv)9.5bc
SA03/005	Management Representative	(iv)9.3,
SA03/006	Employee Representative	(iv)9.4
SA04/001	Resources Management	(iv)9.11
SA09/001	Discrimination	(iv)5.0
SA10/001	Disciplinary Practices	(iv)6.0
SA13/001	Social Accountability Planning	(iv)9.5
SA13/002	Building on a framework	
SA13/003	Establishing a management strategy	
SA13/004	Identifying threats and unacceptable conditions	
SA13/005	Identifying stakeholders needs	
SA13/006	Determining and managing the priorities	
SA13/007	Planning for Management of Individual Issues	
SA13/008	Monitoring, Measuring and Analysis	(iv)9.5d
SA14/001	Management and Control of the Supply Chain	(iv)9.6,
SA14/002	Supplier Practices and Records	(iv)9.7
SA14/003	Evidence of Supplier Compliance and Control	(iv)9.8
SA14/004	Home-workers	(iv)9.9
SA15/001	Analysis of Non-compliance and Corrective Action	(iv)9.10
SA16/001	Continuous Improvement	(iv)9.1c
SA17/001	Communications	(iv)9.12
SA17/002	Consultation Team Meetings	(iv)9.12
SA19/001	Management Review	(iv)9.2
SA20/001	Company Social Accountability Records	(iv)9.14

### 18.4 RESPONSIBILITY

The Managing Director is responsible for this Social Accountability Access, Audits and Assessment Policy.

*(iv)9.5a*  
*(iv)9.13*

**END OF SECTION 18**

## MANAGEMENT REVIEW

Policy and Requirements

### 19.0 POLICY

We will convene a review meeting on at least 2 occasions during a 12 month period for the systematic review of our social accountability management system by our executives and top management.

(iv)9.1  
(iv)9.2

In doing so we shall seek to comply with clause (iv) 9.2 of the international standard SA8000:2001.

(iv)9.2  
(iv)9.1c

### 19.1 WHAT IS REQUIRED

Our Top Management are required to periodically review the adequacy, suitability, and continuing effectiveness of the company's policy, procedures and performance results vis-a-vis the requirements of SA8000:2001 standard and other requirements to which we subscribe.

(iv)9.1a  
(iv)9.2

System amendments and improvements must be implemented where appropriate to ensure its continuing suitability, adequacy and effectiveness.

(iv)9.2

19.1.1 The management review process must ensure that the necessary information is collected to allow management to carry out this evaluation.

(iv)9.2

19.1.2 The management review must be planned, attended by top management, documented and recorded. The review must be informed about current difficulties, progress, performance, concerns and improvement opportunities. Detail and data is to be provided from the following aspects of the social accountability system:

(iv)9.1d  
(iv)9.2

- a) Social Accountability Management System
- b) Policy Management and Effective Implementation
- c) Company Structure and Responsibilities
- d) Resource Requirements and Management
- e) Incidents of the use of Child Labour
- f) Incidents of the use of Forced Labour
- g) Health and Safety issues
- h) Interference in Freedom of Association
- j) Incidents of the use of Discrimination
- k) Disciplinary Practices
- l) Working Hours and Remuneration
- m) Social Accountability Planning
- n) Determining and managing the priorities
- p) Monitoring, Measuring and Analysis
- q) Management and Control of the Supply Chain
- r) Supplier Practices and Records
- s) Evidence of Supplier Compliance and Control
- t) Incidents of the use of Home-workers
- u) Analysis of Non-compliance and Corrective Action
- v) Continuous Improvement
- w) Communications
- x) Access, Audits and Assessments
- y) Management Records
- z) Social accountability relevance, allocation and ownership

(iv)9.0

19.1.3 The management review is required to act on the information provided and ensure effective action is taken. The results of the management reviews must be recorded as a permanent company strategic record.

(iv)9.1  
(iv)9.2

## MANAGEMENT REVIEW

Requirement and Practices

### 19.2 WHAT WE DO

We convene a management review meeting at 6 month intervals. The Meeting reports directly to Board of Directors and the minutes are made available to interested parties and authorities as well as being circulated within the company.

(iv)9.1  
(iv)9.2

19.2.1 The meeting comprises of the Management and Employees Representatives, Company Secretary, Managing Director and two other Directors as a minimum requirement for the meeting. All other heads of departments and stakeholder representatives are invited to attend.

(iv)9.2  
(iv)9.1c

19.2.2 The agenda incorporated in our management review meeting procedure includes provision to cover:-

(iv)9.1a  
(iv)9.2

- |                  |   |          |
|------------------|---|----------|
| a) Reviews       | Policy and policy manual<br>Responsibilities and authorities<br>Procedures manual<br>Operations and suppliers<br>Training and development<br>Task relevance, allocation and ownership<br>Actions arising from previous meetings<br>Social accountability priorities<br>Effectiveness of the management system | (iv)9.2  |
| b) Communication | Stakeholders recommendations<br>Employee concerns<br>Customers, authorities and suppliers concerns<br>Complaints and commendations<br>External assessments and observations<br>Publicity, external relations and feedback   | (iv)9.12 |
| c) Suitability   | Corrective and preventive action<br>Supply chain conformance<br>Employee performance<br>System performance<br>Threats and risk identification<br>Workers needs and aspiration<br>Legal and Statutory matters<br>Operational internal control<br>Resource requirement management                               | (iv)9.1  |
| d) Measurements  | Monitoring and Measuring<br>Internal Audit Program and Results<br>Improvement and Developments<br>Reviews and assessments<br>Reporting and Analysis of non-conformities   | (iv)9.5d |
| e) Management    | Social Accountability planning<br>Management framework/strategy<br>Social Accountability programmes<br>Change management<br>Changes that affect the Management System.<br>Social Accountability directives and priorities<br>Social Accountability improvements<br>Other related management processes         | (iv)9.5  |

**MANAGEMENT REVIEW**  
 Requirement and Practices

**19.2 WHAT WE DO CONTINUED**

(iv)9.1d

19.2.3 The meeting completes a review of all procedures which are the direct sole responsibility of the Employee Representative or the Company Management Representative. This ensures that the transparency and independence that we need is evident in the practices and systems we promote.

(iv)9.2  
 (iv)9.5

19.2.4 The Managing Director is Chairman of the review meetings and the Company Secretary as Company Management Representative, is responsible for recording and circulating minutes to all present and nominated authorities. The date and time of the meeting is recorded with a list of people present and the interests or department that each represents. These minutes are identified as a permanent strategic record.

(iv)9.1d

**19.3 PROCEDURES**

iv)9.1d

The following documented procedure is specifically maintained and implemented within the company for the effective implementation of this policy:

SA19/001 Social Accountability Management System Review Meetings

It is supported and assisted by reference to the following practices:

(iv)9.2

SA01/001	Social Accountability Management System	(iv)9.0
SA02/001	Social Accountability Policy Management	(iv)9.1
SA03/001	Company Structure and Responsibilities	(iv)9.5a
SA03/002	Organisational Structure,	(iv)9.5a
SA03/003	Roles, Responsibilities and Authorities	(iv)9.5a
SA03/004	Training and Information	(iv)9.5bc
SA03/005	Management Representative	(iv)9.3,
SA03/006	Employee Representative	(iv)9.4
SA04/001	Resources Management	(iv)9.11
SA13/001	Social Accountability Planning	(iv)9.5
SA13/002	Building on a framework	
SA13/003	Establishing a management strategy	
SA13/004	Identifying threats and unacceptable conditions	
SA13/005	Identifying stakeholders needs	
SA13/006	Determining and managing the priorities	
SA13/007	Planning for Management of Individual Issues	
SA13/008	Monitoring, Measuring and Analysis	(iv)9.5d
SA14/001	Management and Control of the Supply Chain	(iv)9.6,
SA14/003	Evidence of Supplier Compliance and Control	(iv)9.8
SA15/001	Analysis of Non-compliance and Corrective Action	(iv)9.10
SA16/001	Continuous Improvement	(iv)9.1c
SA17/001	Communications	(iv)9.12
SA17/002	Consultation Team Meetings	(iv)9.12
SA18/001	Access, Audits and Assessments	(iv)9.13
SA20/001	Company Social Accountability Records	(iv)9.14

**19.4 RESPONSIBILITIES**

(iv)9.5a

The Managing Director is responsible for this Social Accountability Management Review Policy.

(iv)9.2

**END OF SECTION 19**

**MANAGEMENT RECORDS**  
 Policy and Requirements

**20.0 POLICY**

We will produce and maintain records of our social accountability management system in order to demonstrate and review its effectiveness.

(iv)9.1  
 (iv)9.14

In so doing we shall seek to comply with clause (iv) 9.14 of the international standard SA8000:2001.

(iv)9.14  
 (iv)9.1c

**20.1 WHAT IS REQUIRED**

The company is required to maintain appropriate records to demonstrate conformance to the requirements of the SA8000:2001 international standard.

(iv)9.1a  
 (iv)9.14

The specific requirements of the standard for records relate to the following:

(iv)9.14

20.1.1 We are required to ensure that all personnel receive regular and recorded health and safety training and that such training is repeated for new and reassigned personnel.

(iv)9.14  
 (iv)3.0

20.1.2 We must maintain appropriate records of suppliers/subcontractors (and, where appropriate, sub-suppliers') commitments to social accountability, including, but not limited to, the written commitment of those organisations.

(iv)9.14  
 (iv)9.7/8

20.1.3 In respect of homeworking we are required to maintain, 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.

(iv)9.14  
 (iv)9.9

**20.2 WHAT WE DO**

We view records and evidence of our social accountability as being a significant product and critical aspect in the planning of our management systems operation.

(iv)9.14  
 (iv)9.1d

20.2.1 In order to effectively manage and improve our management system we need dependable data and records upon which to make decisions and steer the management and operation of the practices. In this connection it is the policy and practice of the company to produce the SA8000:2001 specified records and additional data on which we can depend and hold informed and productive management reviews.

(iv)9.14  
 (iv)9.1d  
 (iv)9.2  
 (iv)9.5

20.2.2 The activities and aspects which rely on records in the administration of our social accountability are as follows:

(iv)9.14  
 (iv)9.1d

- a) Policy Management and Effective Implementation
- b) Resource Requirements and Management
- c) Child Labour, Forced Labour and Health and Safety issues
- d) Social Accountability Planning
- e) Determining and managing the priorities
- f) Monitoring, Measuring and Analysis
- g) Management and Control of the Supply Chain
- h) Incidents of the use of Home-workers
- j) Non-compliance, Corrective Action and Continuous Improvement
- k) Communications
- l) Access, Audits and Assessments



**MANAGEMENT RECORDS**  
 Requirement and Practices

**20.2 WHAT WE DO CONTINUED**

(iv)9.1d

20.2.3 We control all specified social accountability management system records as a part of our management practices. This ensures that each record is reviewed, approved and authorised before it is used or published.

(iv)9.14  
 ((iv)9.1c

20.2.4 Our management system incorporates procedures to maintain each specified record we need for effectiveness of the management system. These assist and help us to monitor, measure and analyse the processes that are involved.

(iv)9.1a  
 (iv)9.14

20.2.5 The analysis and review of data that is generated by the activities provides input to top management to achieve the planned results and the continual improvement that we seek to achieve in all social accountability aspects of the business.

(iv)9.14  
 (iv)9.5

20.2.6 As a result of the documented practices contained in the our procedure manuals, we complete and maintain the following controlled management records:

(iv)9.1d  
 (iv)9.14

- Records Required by International Standard
- Controlled Documents Registers
- Controlled Records Registers and Forms
- Register of Social Accountability Laws and Conventions
- Policy Issue and Amendment Record
- Social Accountability Roles, Responsibilities and Authorities
- Social Accountability Training and Information
- Management Representative Letter of Appointment
- Employee Representative Record of Appointment Recognition
- Social Accountability Resources Register
- Child Labour Incident Record
- Forced Labour Incident Record
- Health and Safety Issues Register and Records
- Freedom of Association & Right to Collective Bargaining
- Discrimination Incident Record
- Disciplinary Practices Register and Records
- Employees Working Hours and Remuneration Records
- Social Accountability Project Records and Plans
- Social Accountability Management Strategy Documents
- Social Accountability threats and unacceptable conditions
- Identified Social Accountability Stakeholders Requests
- Social Accountability Priorities Listings
- Planning of Individual Issues
- Monitoring, Measuring and Analysis Reports
- Supply Chain Supplier Practices and Records
- Evidence of Supplier Compliance and Control
- Home-workers Records
- Analysis of Non-compliance and Corrective Action
- Preventive Action and Continuous Improvement
- Social Accountability Communications Register and Records
- Minutes and Records of Consultation Team Meetings
- Access Permits, Audits and Assessments Reports
- Management Review Minutes
- Employee and Supplier Interview Records



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**MANAGEMENT RECORDS**  
 Requirement and Practices

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**20.2 WHAT WE DO CONTINUED**

*(iv)9.1d*

20.2.7 The documentation used in our social accountability management system consists of:

*(iv)9.14  
 ((iv)9.1c*

- a) Social Accountability Policy
- b) Social Accountability Policy Manual
- c) Social Accountability Procedures Manuals
- d) Social Accountability Directives and Instructions
- e) Social Accountability Records

Our policy and procedure manuals contain a configuration as a means of controlling their contents, updates and revisions.

*(iv)9.14  
 ((iv)9.1cd*

20.2.8 Our procedures manual contains the required details for control of external documents and our own management system documents. Each procedure details the record the practices required for our management system document control. These contribute to the effective and comprehensive scope of our systems.

*(iv)9.14  
 ((iv)9.1cd*

20.2.9 All management system documents that are obsolete are promptly removed from issue or suitably identified as obsolete to prevent unintended use. Regular checks are made during day to day operations to ensure all documents, including data and instructions schedules and reference documents, are legible, readily identifiable and retrievable.

*(iv)9.14  
 ((iv)9.1cd*

Social Accountability Management System records are retained for 7 years minimum and subject to management review meeting approval before action is taken to dispense with them.

*(iv)9.14  
 ((iv)9.1cd*

**20.3 PROCEDURES**

*(iv)9.14  
 ((iv)9.1cd*

All documented procedures relate to the records of our system. The following procedure is specifically maintained and implemented within the company for the effective implementation of this policy:

SA20/001 Social Accountability Management System Records

*(iv)9.14*

**20.4 RESPONSIBILITIES**

*(iv)9.14  
 ((iv)9.5a*

The Managing Director is responsible for this Social Accountability Management Records Policy.

**END OF SECTION 20**

To ensure that the audit is substantive, auditors must gather anecdotal evidence through interviews and observation as well as documentary evidence found in company records. In addition, due to the social objectives of the SA8000 system, auditors should place a higher priority on verifying the performance of the system than on the existence of documentation.

Pursuant to Auditor Advisory number eleven on documentation requirements, each SA8000 element should be addressed in the report (certain issues which need more specific notations are mentioned in the chapters respectively). In addition, auditors should include notations on any accepted deviations, a brief overall description of the facility and the format of the interviews.<sup>87</sup> External and internal photographs are encouraged, taking care to not record any proprietary equipment or process.

II. Preparing the Audit

The following section is written primarily for auditors' use. Companies will find, however, that what follows is useful guidance for the company's preparation for the audit, just as the above sections should be useful for companies seeking to understand how to interpret SA8000 in their workplace. Before a company is audited for certification, the company requesting the audit should investigate and ensure that it satisfies the requirements of the SA8000 Standard. In this process, the company should have conducted its own self-assessment with the assistance, if appropriate, of any of the following parties: locally-based NGOs, trainers, consultants, union representatives, other certified facilities, industry associations or other specialists with expertise or experience in SA8000 implementation. The SA8000 management system section requires that a company have systems in place for managing on-going social accountability issues and these should be supported by all necessary documentation. As documentation is crucial in maintaining system oversight and integrity there should be a structured format for documentation control established to ensure that appropriate records are identified, controlled and retained.

A. Pre-assessment activities

1) Preparatory work for the company and suppliers

To prepare for a certification audit, company management should take the following steps:

- a) Explain the nature of the audit to the staff, stipulating the need to provide accurate information;
- b) Request the complete collaboration of staff in information exchange, assuring workers that management is interested and willing to hear constructive comments from workers;
- c) Conduct an internal assessment and put into place procedures and practices self-identified as missing and needed;
- d) Train all staff and employees on procedural updates as required.

2) Examples of pre-assessment steps

A company should develop a pre-assessment plan based on particular working conditions of its own facility:

- a) The company requests a certification audit by completing the appropriate forms (each certification body has a set of basic information it requests before initiating an audit so its auditors can plan the audit appropriately);
- b) Discussion and agreement take place concerning the scope and (if third party) cost of the assessment with an accredited certification body;
- c) The lead auditor should conduct a preliminary visit, at which point the organization provides the auditor with a copy of its documented SA8000 system. At this time the lead auditor conducts a tour of the facility and considers options for the best location(s) to conduct worker interviews

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during the assessment;

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- e) The lead auditor has a discussion with the trade union(s) representing workers at the facility, if there is one;
- e) The lead auditor conducts a desk study of the management system and notes any significant omissions or deviations from SA8000 requirements in a report which is then forwarded to the company applying for certification for appropriate action;
- f) The company modifies the management systems and procedures as appropriate;
- g) Auditors alert the facility as to the types of records which will need to be available for inspection;
- h) The auditor requests the following records and information to be assessed before the visit:
- average wage information and wage levels for highest and lowest paid workers in the facility;
  - sample employment contracts;
  - basic needs wage calculation;
  - compensation plan including piece rate quotas and production bonus, if any (see chapter on Remuneration );
    - records of overtime hours for past two months;
    - sample contracts with workers, subcontractors, and suppliers;
  - copy of any and all agreements signed with unions and currently in force;
  - copies of any inspections carried out by local labor, health and safety or fire authorities;
  - training manuals on SA8000 and related issues;
  - training records of worker training;
  - copies of statistics on incidence and severity of accidents and illness and any such reports to relevant government agencies;
  - total number of workers with a break out by gender (and if legal and available a break down of other minorities)
  - monthly production records.
  - current plan for controlling/monitoring suppliers
  - number of work shifts (if a third or night shift is employed, the audit team should schedule a visit to monitor workers on that shift)
  - languages spoken at the facility and percentage of workers that speak each language.
- i) Having reviewed the requisite records, the auditor will arrange the assessment visit. A copy of the audit schedule should be sent to the client in advance of the audit to facilitate planning operations accordingly and arranging for required personnel to be available to the audit team.
- j) Once the company is certified, the auditors are required to conduct surveillance every six months unless no Corrective Action Requests are issued or outstanding during two consecutive visits (then surveillance can be annual);.

**B. Defining the Audit Scope**

Prior to a company preparing for certification to SA80000 it must first establish the scope of the audit. The scope specifies the location(s) to be covered by the audit and all the processes and operations to be audited under the management system.

The overall intent of SA8000 is to avoid certifying a facility which has adopted a social initiative but doesn't apply it evenly or completely throughout its operation. Specifically, SA8000 certifications should cover the complete premises and operations, including remote sites and home workers operating under a common management system.

The issue of scope is a major issue and must be defined carefully in order to meet the intent of SA8000. There will always be an element of judgment required of an audit team and certification body in determining proper scope and that decision should be reviewed and approved by the proper chain of command

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with the certification body to maintain the integrity of the process. Questions about special cases should be forwarded to SAI headquarters.

- 1) Examples of proper scope
  - a) A facility with four buildings in a compound, each with a different line of products but all operating under the central direction of the company with a common management system. (Requires only one certificate)
  - b) Same facility but with one building on site, one in another part of town and two in another part of the country. (Each site could have a separate certificate. In fact, each probably would require a separate certificate to avoid potential problems with sampling, another issue that must be monitored on a regular basis to assure adequate oversight in industries considered high risk.)
  - c) A facility in a compound with two directly owned factory facilities and one subcontractor

factory, materials from which are used as critical components in the main company manufacturing process. (One certificate for the two company sites and, if appropriate, a separate certificate for the subcontractor. This assumes the subcontractor is a business completely separate from the main company.)

2) Common abuses of scope applications

It is common in some areas today for companies to request the certification of only a portion of their facility, often due to the fact that a specific buyer has required attainment of certification to SA8000 for a particular product line. The company then pursues certification of a piece of its production line by erecting a dividing wall, containing the affected product line in a separate building on the same premises, etc. In some cases the company attempts to reduce the scope of certification simply to reduce its overall cost of certification. Auditors should investigate the whole premises where production is happening, including adjoining rooms, floors, wings, and buildings in order to determine the relationship among neighboring operations. Most often this information comes to the auditor's attention through interviews of workers or external contacts.

3) Industry Scope

It is not the intent of SAI to deny any industry or sector the right to attain certification to SA8000 but there are some sectors for which meeting the standard requirements poses special difficulty because of unique operating norms and requirements. The oil industry is a case in point since offshore operations on drilling platforms typically require extended working hours and a continuous work schedule for up to two weeks at a time followed by compensatory time off of equal or greater length. While such schedules are normal in this sector and are typically allowed by law, such a schedule requires of the workers overtime hours that exceed the limits of SA8000 and does not provide one day off in every seven-day period as stipulated in the standard. Such operations would not be allowed to be certified to SA8000. The marine sector also would face difficult issues involving extended hours for ship's crew (and hotel staff for cruise ships) as well as pay and benefit issues as the industry is governed by a separate set of ILO conventions. SAI is currently evaluating both sectors for consideration of possible exceptions and application of international norms specific to these sectors.

C. Compliance with Local Laws

The Normative Elements section of SA8000 states the following:

"The company shall comply with national and other applicable law, other requirements to which the company subscribes, and this standard.

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."

In order to verify a company's compliance with this clause, auditors will need to be familiar with relevant local laws and international laws cited in the standard.

To that end, all local offices of a Certification Body should:

- 1) Maintain copies of relevant laws on file, e.g. labor codes, health and safety regulations and building codes.
- 2) Establish a system for being informed about changes in local law;

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30 Ensure that local auditors understand the implications of those laws for the implementation of SA8000.

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D. Consultations with Interested Parties

Auditor(s) are required to meet on a regular basis with key interested parties to anticipate problem areas (required as per the Accreditation Requirement Guideline #150). The interested stakeholders to be consulted include: workers, trade unions, research institutions, NGOs, community organizations, and labor experts. The groups being consulted may be asked if any facility in the area has particular problems and/or for comments on a list of facilities including the audited facility, but auditors should not identify the applicant facility prior to certification. This is in order to respect the confidential nature of the audit. Once facilities are certified, however, that information is public and should be shared openly. This enables them to build up a picture of working conditions at the enterprises in advance of the verification process and to establish a complaints and appeals process.

1) Purpose of the meeting/s

These informal consultations are an effective means of both gathering information on possible problem areas, and encouraging local organizations to monitor a company's continual compliance. Such consultations reduce the risk that auditors will overlook a nonconformance and they can help encourage a constructive feedback loop. During these meetings, auditors should describe the complaint and appeals process and explain the different ways in which NGOs, trade unions and other interested parties can play an important role, prior to initial audit and surveillance audits.

These discussions might include:

- a) A general introduction of SA8000 and the role of the auditors;
- b) Participants' views on the overall situation in the industry concerned;
- c) Current proposals for improving local labor conditions;
- d) The key problems under each of the elements of SA8000;
- e) Information participants have on specific companies in the area; and
- f) A list of any facilities already certified in the area.

2) Convening a group meeting

Auditors may want to request that a local organization coordinate a meeting of local groups, including, wherever possible, representatives from trade unions, human rights organizations, educational and social development organizations, children's and women's organizations, and religious organizations. The auditing agency should provide the convening organization with a stipend to cover the cost of the meeting and/or administrative support. In addition, auditors should provide the convener(s) and participating organization(s) with copies of SA8000 in advance of the briefing. Organizations that are unable to attend the session are requested to submit comments in writing. In the case of key organizations that are unable to attend, however, auditors should set individual appointments to seek their input and develop a direct relationship. It is crucial that the organizations involved be allowed to speak candidly and off the record, and be assured anonymity (unless they request otherwise).

Such a group meeting may help auditors begin to get a sense of key groups in the area. In the long run, however, auditors will need to periodically visit with key labor rights organizations and trade unions on an individual basis in order to develop a relationship of information sharing.

3) Key Actors

a) Trade Unions

Meetings with trade union representatives during the due diligence gathering stage should be in addition to — not a substitute for — interviews with trade union representatives at the facility being audited. Auditors should meet with national, regional and local union representatives during the due diligence gathering phase and/or the factory audit. Relevant trade union experts include

those representing the workers in the audit site and those who are working for similar companies and/or companies from the same industry.



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Trade union organizations are structured through organizations at factory level, commonly known as a branch or the local. The branches are then represented at town/city level, commonly known as the district. Districts are represented at regional level, commonly known as the region and a combination of representation from each of these structures goes to make up the national trade union organization. At the sectoral level, national unions generally affiliate to Global Union Federations (GUF; formerly known as International Trade Secretariats (ITS)), thus establishing a link from union members at plant level through to the international trade union movement.

Verification of compliance with SA8000 should include contacts with trade union organizations, at the factory and at the district and/or national levels. If auditors interview union representatives present in the factory, they should realize that it is likely that those representatives are also informing the union leaders at the district level. Sharing such basic information and generally updating the trade unions about progress in certifications are important ways to build trust and constructive engagement with local trade unions. Building trust with the union representatives in the country will be important to auditors' ability to gather information in a timely and accurate manner from those representatives.

Determining local structures: The auditor should first establish details of local trade union representation and structures and through general discussion assess the standing of local trade unions in the communities concerned. If auditors have difficulty identifying the appropriate national or local unions, they may need to seek recommendations from the Global Union Federations.

Meeting District Representatives: Auditors should include representatives from the district/regional trade union grouping in their meetings with third parties.

Prior to granting certifications, this information will be general, with regards to the industry. Once certifications are granted, auditors should share those lists with union representatives; this will help improve surveillance audits and help encourage constructive, internal complaints that can lead efficiently to corrective actions or other resolution, rather than public campaigns.

Meeting Branch representatives: At the factory level — both before and during the verification process — the auditors should engage in discussions with the trade union(s) elected to represent workers in the factory to ascertain their views on each of the following:

- Overall working conditions in the company.
  - What are the key challenges under each of the SA8000 standards?
- Relations between management and workforce
- Existing recognition and collective agreements.
- Arrangements for secure interviews with union representatives and with individual workers.

Follow-up: Immediately after the verification exercise, both the union at factory level and the district/regional structures should be advised of any certifications after they have been awarded and of the procedures for complaints and appeals under SA8000.

b) Community organizations, NGOs and other labor experts

There is a wide variety of organizations that may be able to provide valuable information about local labor conditions. Auditors should carry out background research on the common problems they may confront. It is best if this information is as locally-specific as possible.

Often good sources of local information are the individuals working as labor rights activists or social workers in the community where workers live. Since these organizations do not have a structure like the trade union movement, it is difficult to ascertain the best means to identify key experts. Below is a partial list of the types of organizations and the information they may have about workplace conditions. Auditors should seek to be open in their consultations, taking into serious consideration the information presented, regardless of a group's political affiliation.

Human rights NGOs: these organizations may document violations of workers'

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rights to free association and collective bargaining, cases of discrimination, forced labor, child labor or abusive discipline. They should be a good source for information regarding the local and international laws on these issues.

Community organizations: Although these groups may be focused primarily on community issues, such as sanitation, health care, public safety, etc., they may also be able to provide useful information about the lives of workers and to facilitate confidential interviews with workers.

Labor lawyers and academics focusing on labor issues: These professionals may provide research and/or knowledge about local labor laws.

Women and minority rights groups: These can be NGOs or community organizations. They can contribute specific information regarding discrimination and the concerns of their members.

Children's rights and/or welfare NGOs: These groups will be essential partners for auditors working in counties where child labor has been a problem.

National Labor Department: The labor department should maintain files and statistics on subjects such as national and regional working conditions, labor disputes, etc., and may have relevant surveys or analytical studies.

Development NGOs: These organizations carry out a diverse range of projects and studies covering health problems, economic needs and education. Some of the international development organizations, such as Action Aid, Care and Save the Children (UK) have become involved in worker training or programs to remediate child workers.

Health Workers: Local clinics may have information relating to occupational health problems. They may be able to help identify workers' over-exposure to chemicals or pesticides and the health effects.

Given the complexity of carrying out a social audit, some certification bodies may want to conduct investigations into areas of concern by contracting with a local research firm, academic group or NGO. Such organizations can help to enhance the credibility of audits and are often cost-effective, if the organization already has a great deal of information on specific issues, such as the local child labor situation, or the economics of the national market basket.

Documentation of consultations

- a) The certification body's local office should have a list of contacts available with the names of representatives from (legally recognized) NGOs or unions, which have been consulted.
- b) Each organization consulted should be asked if they prefer to remain anonymous. If groups agree, however, meetings with the local NGOs or unions should be documented with verification from the local NGO or union that they were oriented on the objectives of SA8000 and consulted about local workplace conditions.
- c) Documentation of consultation prior to each surveillance audit should be maintained by the certification body's local offices.
- d) Minutes from the third party consultation meetings (respecting any anonymity requested) should be written, detailing the discussions, comments and advice of the participants. Copies should be provided to everyone who participates as an audit team member for the certification body's (CB) audits; copies should be available at each of the CB's offices.

#### 5) Auditing Issues

Difficulties may arise when auditors seek to identify the appropriate third party organizations to consult.

##### a) Multiple trade unions

In some countries, there will be a number of unions active in the sector concerned and auditors may even find more than one union represented in individual factories. In these situations, the auditors should also make contact at the district or regional level with all the relevant union organizations. At the factory level, the auditors need to meet with all union organizations claiming to have membership there, whether or not the unions are recognized by the company.

##### b) When Trade Unions are not Free



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In some countries trade union organizations are subject to very strict control by a single political party or by the state. In such situations, these organizations are not representative of the workers concerned. However, auditors should meet with these organizations, both at the district and factory level as outlined before, because these organizations can still provide useful information on working conditions. Auditors, however, should be aware of the fact that the views given by these organizations may not necessarily reflect the views of the workforce they claim to represent. For this reason, audits in such conditions should put greater emphasis on the interviews with individual workers through a larger sample of interviewees and/or longer interview time than generally recommended by this document. Such measures may also be necessary if the audit team finds that the trade union has not been freely elected by workers, but put in place through some collaboration with facility management.

c) Lack of NGOs or unwillingness to collaborate

In some countries, typically where freedom of speech is restricted, there may be a lack of NGOs to consult, or few NGOs may trust auditors sufficiently to discuss labor problems with them. It is for this reason that ongoing relationships with the NGO community should be developed. Where NGO consultations are difficult to arrange, auditors should seek to supplement these consultations by talking over issues with appropriate international organizations, reviewing local press reports and conducting independent research. More importantly in these situations, the time spent conducting worker interviews should be expanded to overcome the lack of third party information sources.

III. Conducting the Audit

A. Components of the Audit

1) The Initial Meeting

At the initial meeting, the auditor(s) and key staff members discuss the scope of work. The key staff may include the owner (especially if resident in the country), Managing Director, Human Resources Manager, Trade Union Representative, the Social Accountability representative (if different from the trade union representative), Health and Safety Coordinator, and others.

Based on review of the documents prior to the certification audit, an in-depth appraisal of the company's procedures and overall management structure for compliance with SA8000 is made. The key elements of the initial meeting include: introductions, a general explanation of purpose and procedures for the audit, a review of the audit paths to minimize impact on operations and facilitate confidential interviews with workers, the signing of confidentiality agreements, and addressing questions as they arise. At this time, the auditor(s) should reconfirm that they have copies of any other voluntary agreements or codes of conduct to which the facility is a signatory.

Since implementing SA8000 requires a team effort, with strong oversight from key leaders, the auditor should obtain evidence of clear lines of responsibility.

Note: Management staff should facilitate auditors' access to all parts of the facility, but should not interfere with the audit. Management should never be involved in the selection of workers for interview and never be present during interviews with workers and should not be informed of the workers' statements. Workers' anonymity is crucial to the verification process both prior to certification and during surveillance audits.

2) Records Review

SA8000 Clause 9.14 requires that a company applying for SA8000 shall maintain appropriate records to demonstrate conformance to the requirements of this standard. Clause 9.7 requires that the company maintain appropriate records indicating its suppliers, subcontractors and sub-suppliers' commitment to social accountability. To verify that a company and its' primary business contacts are in conformance with these requirements, auditors need to check relevant records and documents. (See also chapter on Management Systems, section II.A.7. — Control of Suppliers; and the Introduction, section II.E. — Scope.)

The above-referenced SA8000 clause (9.7) requires the certified company to

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clause that its suppliers are committed to meeting the requirements of the standard, it is important that those suppliers understand what is expected of them and for the company itself to have a plan for monitoring its suppliers for conformance. This is important if the auditor expects to have something to measure over a period of time in order to evaluate the level of compliance and continual improvement being attained vis a vis SA8000 clause 9.7. The following is a list of potential actions that a company could take to ensure an ability to monitor the level of conformance of its suppliers:

- a) Conduct a supplier training to outline requirements and potential benefits inherent in the system to prime suppliers.
- b) Perform supplier audit (second party).
- c) Require certification or a compliance assessment to SA8000.
- d) Ask for copy of system procedures and policies.
- e) Ask for copies of internal audits.
- f) Ask for results of code of conduct audits (2nd party).
- g) Have supplier request a second party audit.
- h) Have client complete a questionnaire relating to requirements of SA8000.
- i) Letter of commitment by senior management.
- j) Contact by telephone to review policies.
- k) Have use of digital photos, PDF files and e-mail to facilitate exchange of electronic data for use in corroborating information.

Good, consistent documentation (even just a basic system) is a required condition to set up and operate a functional management system. Through records review, auditors may identify the missing or inadequate components and procedures in a systematic approach improving workplace conditions. The purpose of management maintaining documents on their conformance to SA8000 is to help systematize compliance and ensure ongoing, effective communication between workers and management. For small workplaces, the systems for ensuring compliance — like the avenues for communication — can be simpler and more direct than a larger workplace may require. Thus, documentation requirements are less complex as well.

Even if documentation is extensive, it may not sufficiently indicate conformance with all SA8000 requirements because it does not always reflect performance. Since SA8000 is primarily a benchmark of worker rights and working conditions, we recommend that auditors pay closer attention to essential verification means, such as interviewing workers and consulting with trade unions, local NGOs, and individuals concerned with worker rights.

3) Facility inspection

After the initial meeting and preliminary document checking, auditors shall tour the facility to inspect working conditions, particularly on issues such as workplace safety, hygiene and sanitation, dormitory conditions, and so on. Visual inspection can work best to detect the tangible problems as mentioned above, but more in-depth verification methods are necessary to identify fundamental problems, such as issues on freedom of association, basic needs wage etc.

4) General recommendations for contact with management

The following is a general strategy for contact with management. However, the issues mentioned below are for reference only:

- a) The efficiency of the communication with management representatives on all levels depends on the qualifications of the auditors. Auditors should have profound knowledge about managerial and operational processes and pressures, speak the language used within the management, and know how to build up rapport with businesspeople.
- b) Seeking management's cooperation is crucial for the success of an audit. Auditors should have comprehension of the difficulty to run a socially responsible company in a competitive surrounding, and could clarify the close relationship between the social performance and the productivity of the employees whenever required.
- c) Since most management decisions are put into action by

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representatives on the lower managerial levels, these managers should be integrated into the audit procedures in particular. They should be interviewed directly, without more senior managers present and their comments should be kept strictly confidential.

d) Checklists should be developed to ensure that key issues are checked within the initial meeting, in the records review and during the facility inspection.

5) Interviews with workers: general recommendations

Just as interviews with company managers and supervisors are crucial in determining levels of conformance to the standard, interviews with workers — both on and off site — are fundamental to determining conditions at the site being evaluated. These interviews can corroborate, supplement or invalidate information obtained through other means by the audit team and can also provide valuable information which may lead to issues which can be pursued for objective evidence.

The following is a general strategy for conducting interviews with workers, including some examples of questions to ask. Readers may also refer to individual worker interview strategies and examples in the chapters covering core SA8000 requirements. The procedures and key elements of interviewing mentioned in the chapters above and below are for reference only. Auditors need to develop their own interview plan and procedures to address specific local conditions.

a) Plan ahead

Considering the complexity of social audits and the unique features of SA8000 management systems, we advise that at least 30% of the on-site audit time should be spent interviewing workers (please see Auditor Advisory number fourteen on Audit Day recommendations and/or IAF Guidance on the Application of ISO/IEC Guide 62).<sup>88</sup> At sites where workers do not have independent organizations to represent themselves, a greater portion of the audit time should be spent interviewing workers.

Given the time constraints when conducting on-site audits, auditors should create a concrete interviewing plan before the audit occurs. The plan can be based on information collected from pre-assessment activities and/or provided by local trade unions, NGO groups, concerned individuals or other sources. The interviewing plan should reflect the specific conditions of the facility to be evaluated, such as its size, production scope, demographics of the worker population, and existing and potential problems.

Auditors should take great care early in the planning stages to calculate the number of workers who will be involved in the process and determine the location(s) where the interviews will be carried out. While the audit team members should not identify individual workers at this point in the process, they will have to indicate to management the number of workers, types of jobs involved and the general time frame required. This way management can anticipate the interruption of production lines and disruption to normal work flow.

Interviews should cover every aspect of SA8000, but focus particularly on areas where there has been an indication of problems or potential problems. Checklists could be developed to ensure that key questions and appropriate follow up questions are asked. Above all, audit teams should be sensitive to the demographics of the worker groups being interviewed. Gender should be taken into account when scheduling interviews and selecting the audit team. Auditors should not read from such a guide during the interviewing process, however, as that would make the atmosphere too formal. As important as planning the interview is, however, an effective interview should be more like a conversation, not a formal survey. Auditors should avoid taking notes during the interview, but plan time immediately afterwards to note their impressions and plan to follow up with more investigation of the issues raised (or allowed to) by workers.

Finally, protecting worker confidentiality is critical. It is absolutely critical that no member of management be present during any interview sessions with workers, for fear that workers may feel intimidated by their presence and thus skew or

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with crucial information. Auditors should make this clear to management from the very beginning of the planning process.

b) Select workers for interview

One of the major challenges auditors face is the selection of workers for interview; it is a critical step to make sure that the views of workers selected can reflect those of the whole workforce and that information gathered is an accurate reflection of the actual conditions in the facility.

SAI recommends that the number of workers selected to be interviewed should be the square root of the workforce rounded up to the higher number for companies with a workforce of 400 workers or less. For companies with more than 400 workers the auditor should take 5% of the total workers up to 100 workers. This is only a guideline and must be adapted to the situation based upon the judgment of the audit team. In workplaces where there is no representation and no independent worker rights advocates in the community, auditors should seek to interview a larger portion of workers. Finally, the sample of workers to be interviewed should also be representative of key fields of work, gender, pay grades, and different levels of responsibilities.

Another key point is that auditors should always retain autonomy in selecting which workers to interview. This is delicate because auditors also need to seek management's consent and assistance in the process. If management appoints workers for interview, this is unacceptable; it will create sampling bias and/or "coached answers". For instance, management might only pick a few skilled workers who get better pay than an average worker. On the other hand, if auditors do not get management's consent, workers are not likely to feel comfortable offering accurate and adequate information. Management consent should also help ensure that workers chosen for interviews do not lose wages or benefits due to the interview process. Although management will know which workers attend the formal interviews, this should in no way compromise the confidentiality of the worker/s (otherwise, off-site interviews are necessary).

c) Qualifications of an interviewing team

To a large extent, the quality of interviews depends on the qualifications of the interviewing team. The following are some of the knowledge and skills required for a good interview team.

Language skills: The auditor should be able to speak the primary language spoken by workers to assure that information is correctly understood and that rapport between the worker(s) and the auditor is established.

Translation should

be a last resort because it inhibits the gathering of accurate information and greatly lengthens the amount of time required for the interview process. Further, it adds to cost without adding value, compared with fluent auditors.

Human rights knowledge: A solid understanding of international human right and the local situation will greatly assist the audit team to identify critical issues and potential problems in interviewing.

Technical expertise: Familiarity with industrial production process and knowledge in health & safety issues will significantly reduce the time required to identify existing and potential problems and help auditors to ask the right questions. For example, a sound knowledge of the production process will help auditors to ask the most relevant questions about production quota and piecerates.

Cultural sensitivity: To conduct interviews in an effective way, it is also important that auditors demonstrate an appropriate cultural sensitivity. For example, in many Western countries, it is considered impolite or even intruding to ask personal questions, such as about marriage or children; whereas in countries such as China, asking such questions would be a useful approach to break the ice and build rapport with interviewees, as it would demonstrate that the auditors care about the workers' family.

Understanding of gender issues: Previous experience suggests that, in general, it is much easier for female interviewers to gain the trust of and elicit information from female workers. Furthermore, a pilot study in Vietnam indicates that female workers there usually feel more comfortable answering questions in a group setting than in one-on-one interviews. Moreover, auditors can expect more active



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response and participation from an all-women group than from a mixed group of both male and female workers.<sup>89</sup> However, this particular observation may only apply to cultures in East Asia. Auditors working in other regions need to adapt their interviewing design respectively.

Collaborating with experts: It is not always possible for one audit team to possess all the important skills and expertise required for a high-quality job. Therefore, whenever possible, interviewing teams should include experts in the field, such as union representatives, local NGOs, labor rights groups, OSH experts, and/or academics. An effective approach for a large facility would be to invite some of the independent experts with complementary skills to set up a multi-disciplinary team to conduct the interviews. If that is not feasible, an interviewing team should set up an ongoing consultation with the local groups. In addition, regular training programs can play an important role to improve the quality of an interviewing team.

Audit teams are required to have a subject matter expert with them who has expertise in conducting worker interviews. SAI strongly encourages certification bodies to build multi-disciplinary audit teams that include current or former trade union representatives or representatives from labor rights NGOs or community organizations that serve workers in the community.

d) Timing, location & issues of interview

Auditors are strongly encouraged to conduct worker interviews off-site; this is the best way to obtain frank and open interviews. In cases where workers are clearly not sharing information, auditors should consider holding off certification until they can conduct off site interviews.

Off-site interviews should be at a location where workers feel comfortable to share their opinions about work conditions. Dormitories without security guards' presence, apartments shared by workers, and entertainment facilities such as a karaoke center or billiards room can be good places to conduct interviews. Auditors can consult with local organizations trusted by workers for good locations.

If on-site interviews are conducted, auditors should still select the interview site carefully. For example, at a cafeteria during lunch breaks, shop floor during workers' rest periods, conference room or other common areas. No matter where the interview is conducted, no management presence should ever be allowed, since it may intimidate workers. Auditors should limit interview sessions to 30-40 minutes as a rule and remain focused on several key issues to maximize the level of details. Too many questions can confuse the interviewee and produce too much data to be assimilated effectively. Issues of concern can be noted and followed up in subsequent group and individual sessions with workers. Auditors should avoid check lists, leading questions and note taking during the interviews; all of these are likely to compromise the frankness of the workers' answers. Control must be maintained by the interviewer at all times. That requires an ability to manage the interview process and to keep workers focused on the issues being addressed, while also making sure workers are relaxed and at ease.

Whenever it is possible, workers from all production processes and all shifts should be included in the interview, including casual or contracted labor at the

facility. Often, interviews with a third or late night shift are very useful, since this shift often has less supervision than the others, and procedures and rules are often overlooked or applied differently.

e) Other interviewing principles and techniques

The following is a further discussion on some useful principles for conducting successful interviews with workers. The discussion below, however, is by no means exhaustive and the principles reviewed can not necessarily be applied universally. Auditors should treat them as a general reference and if necessary, adapt them to suit the actual situation in the audit process.

Safeguard worker confidentiality: It is critical to assure the worker that the interview is confidential and that responses made by workers will not get back to

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management in a manner that could jeopardize those providing the information.

Before conducting the interview, auditors should consider all possible repercussions due to worker participation, such as compromised job security, lost wages or bonuses, corporal or oral punishment etc., and all necessary measures should be taken to prevent their occurrence.

Auditors should be careful to ensure that information being gathered through the interviews is a fair representation of the actual workplace situation. This is one of the biggest challenges facing auditors because workers may feel intimidated or threatened if they reveal sensitive information to the audit team. Such a feeling would only be reinforced if management were to be present during the interview process. If intimidation seems likely — based upon the site preassessment or indications from local groups — the Lead Assessor should consider conducting worker interviews off-site. In such a case, the auditor should arrange to meet with some workers off-site, after-hours, possibly coordinating this through the local union representative or an NGO. In many cases, these interviews may be best conducted by NGO or trade union representatives with the substance of the meeting(s) reported back to the audit team.

Seek management's cooperation: One possible way to ensure workers' safe participation in interviews is to seek management's cooperation and commitment not to punish workers in any way afterwards. Workers will be more likely to provide accurate information if they are assured that management is supportive of such interviews. At the same time, auditors still need to retain their autonomy in the process of interviews.

Establish rapport with workers: Workers are not always willing to provide their opinions without reservations due to such reasons as: fears about possible repercussions, interruption of their work (particularly for pieceworkers), lost wages, bonuses, and their perception of auditors as "outsiders". Therefore, it is critical for auditors to establish a rapport with workers when setting the stage for an interview to assure that repercussions will not occur.

Auditors can identify themselves, give a brief introduction to the auditing team members and clearly state the purpose of the interview. Some key messages to the workers: auditors are independent of the management; information being provided is highly confidential; management is supportive of the auditing process; and there is complaint/appeal system in place so that workers can contact auditors if any problems arise after or as a result of the interview.

Interviewer should seek to put workers at ease. This can be done by asking basic information about how long the worker has been at this factory or a particular job or by asking unrelated questions, such as whether they support a local soccer team. Personal questions, regarding marital status or children, might be considered invasive in some cultures but not others. Auditors should be sensitive to the worker's feelings and possible anxiety in participating in this process. The questions should be sufficiently general in nature at the beginning of the interview to put the worker(s) at ease and get a sense of potential problem areas. They should then gradually focus on issues perceived to be the main problems at the site. Each auditor should become comfortable with an approach which best works for him/her in accomplishing this critical aspect of the interview. Gradually the interview should move into more precise questions that can help to cross check reports made by management, union representatives, and other organizations or found in paper reviews. Auditors should look for significant differences in answers from specific groups (i.e. union members compared to non-union members, women compared with men, or members of minority groups compared with majority groups).

Explain complaints process: The interview provides an excellent vehicle for explaining the complaint and appeals procedure to the workers. The auditor should explain both the local company's commitment to the process and that of the certification body and SAI to assure that problems are resolved in a timely manner with no penalties or retribution taken against any worker(s) making a complaint. Certification bodies have each developed their own procedures to satisfy this requirement as a condition of their accreditation. One method of doing this would be to give workers a business card with the telephone number

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 of the certification body or individual auditor. Emphasis should be placed on the fact that such complaints can be lodged anonymously to protect workers against any form of reprisal.

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Ask indirect questions: There is a good chance that many factories have been exposed to various types of inspections before, and as a result, some or even all of the workers might have been “coached” to answer auditors’ questions.

Therefore, whenever possible, auditors should avoid asking direct questions. For instance, trying to figure out a worker’s age, it seldom helps to ask: “How old are you?” Questions such as: “When were you born?”; “What’s your animal sign (under the Chinese zodiac)?”; “Do you have any siblings?”; “Are you the eldest?”; “How long have you been working in this factory?” are better. For more examples of indirect questions, please go to individual chapters on specific SA8000 requirements. In general, auditors need to pin down pieces of information by asking indirect questions, and draw their own conclusions.

The challenge is to combine indirect questions and a conversational approach, while not losing track of important answers — and silences, for that matter. It is better to ask short questions, but avoid yes or no questions. Questions should focus on one issue at time — single issue questions — and allow workers to answer them.

Design appropriate format of interview: Interviews can be conducted either with a group of workers or one-on-one with an individual worker. The dynamics of both types of interviews are different and information can be readily calibrated or validated by asking common questions of each and matching the results for consistency. For instance, group interviews are more likely to encourage participation, interaction and be useful in gathering workers’ considered opinion; whereas an individual interview is conducive to eliciting more in-depth individual concerns.

Group interviews should be limited in size to eight to ten workers where possible. This group is sufficiently large to make workers more comfortable in their surroundings but is not so large that control of the group becomes difficult. Whenever possible, auditors should make sure that the composition of a group is such that the conversation will not be dominated by a single speaker (such as a worker with senior status among newcomers, or a male among female workers).

Auditors should cross check responses from various sources, such as those from management compared with those from workers; or the response from an individual worker compared with that from a whole group.

Avoid technical jargon: Whenever possible, auditors should avoid the use of technical jargons. A worker interview should not be simply a technical Question & Answer session, but an interactive two-way communication process from which auditors may elicit workers’ opinions, and understand their concerns.

In special cases in which the auditor may be interviewing a worker who has experienced abuses, such as sexual harassment or corporal punishment, the

auditor should try to interview the worker in private, and safeguard her/his privacy and security. These workers may not want to speak publicly about this issue.

Convene a formal meeting with trade unions represented in the factory in order to gain their perspective on the issues that may arise or have arisen during the audit.

f) Closing meeting with the management

The last stage of the on-site audit is a closing meeting with the management. We recommend that auditors invite trade union or SA8000 worker representatives to attend this closing meeting. Auditors can provide the management with a brief summary of findings, and if appropriate, issue major or minor Corrective Action Requests (CARs). Management should be given the opportunity to challenge the findings or CARs at the closing meeting. It is important, however, that all findings should be reviewed in advance in order to gain the understanding and acceptance of key management before the closing meeting. This meeting is



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designed to summarize findings and not to debate them.

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**B. Timing**

In order to ensure the integrity of the audit process, innovative scheduling and techniques are required:

- 1) Visits scheduled on pay day provide the auditor with the opportunity to confirm the manner in which workers are paid. Visits can also be scheduled near lunch time, so auditors can confirm whether or not workers receive a lunch break, if there is adequate sanitary space for meals, and approximately how long the break lasts.
- 2) Visits can last through the end of the work day to confirm whether or not employees work a full eight hour shift or overtime. Auditor(s) can depart, but remain where they can observe the facility at closing time, noting the number of workers who clear the premises (and comparing that with the number who worked that day) and the time.
- 3) Any delaying tactics from managers (long lunches away from the factory, missed appointments, poor directions to and from the site, etc.) should be preempted.
- 4) Auditors should keep track of the audit time once they are on site. Auditors should spend at least 30% of time on site interviewing workers. To follow this recommendation, auditors should list priorities and allocate audit time proportionally.
- 5) Auditors reserve the right to make unannounced follow-up visits if they receive evidence of concern, such as filed complaints from workers or other key interested parties

**C. Recommendations for gathering evidence**

- 1) Make copies of key documents, including those where discrepancies are noted.
- 2) Keep information in the order given in the checklist.
- 3) Make notes of worker interviews, using a code or number to identify each interview, but never attach their initials or any description that could later be used to identify them.
- 4) Keep written records of the names of managers interviewed to facilitate follow-up visits.

**D. Translations**

Auditors should be able to communicate with workers and management in their native language. Substantial effort must be made to ensure that the auditors themselves comprehend workers. Auditor pools should include fluent speakers of all major languages and dialects in the communities represented. Difficulties may arise regarding language. For example, the language spoken by some employees might be an unusual dialect not widely spoken in the country or a minority of the workforce may be composed of refugees speaking a language unknown to any local auditors. In such cases, if the audit team lacks the requisite language skills, an independent translator must be hired. (The auditor may charge the extra cost to the company.) Auditors should never rely on interpreters selected or hired by the company being audited, in order to avoid any possible conflicts of interest on the part of the translator(s).

**IV. Post-Audit Activities**

**A. Non-conformances**

**1) Managing non-conformances**

An SA8000 company must — according to SA8000 management systems requirements — establish, document, and maintain procedures to:

- a) Investigate the cause of non-conformance(s);
- b) Develop and assess appropriate corrective measures for implementation in order to remedy the non-conformance(s) and prevent recurrence;
- c) Implement corrective and preventive actions at a level corresponding to potential risks identified;
- d) Apply systems to assure that corrective actions were promptly undertaken and are effective;
- e) Implement, record, communicate, and train personnel in procedural

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changes.

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F) In case of severe violation of the penal code, but only in such cases, auditors will need to report their findings to the authorities. Examples of such situations include cases of imminent danger or risk to workers, forced, or physical abuse.

2) Auditor reports

Per standard audit procedures, the report prepared by the auditor(s) must include:

a) All non-conformances found and mutually agreed upon have dates by which corrective and preventive action plans will be proposed to the auditors as well as by which such matters will be corrected. Auditors should evaluate the feasibility of these action plans and procedures and accept only those deemed likely to succeed and with an appropriate timeframe.

b) The signatures of key managers;

c) Evidence of non-conformance found,;

d) Audit reports should be concise yet informative. For instance, regarding critical issues such as wage and working hours, it is not sufficient to simply put that "no non-conformance found." Auditors are advised to provide more specifics such as how the employer managed to reduce overtime work and yet fulfill business orders. The benefit of reporting this way is to assure the accuracy and validity of the audit findings and conclusions.

NOTE: Certified auditors cannot make specific recommendations, as this is regarded as consulting. However, given the fact that most companies today have little idea how to address effectively some of the more complicated issues involving SA8000 implementation, it is advisable that auditors share experiences with clients in order to establish expectation levels and provide some insight into options that a company may want to consider going forward. This is seen as critical to the process of continual improvement. Auditors can confirm that a company has developed a realistic plan — in terms of meeting workers' needs for safe and decent working conditions (and resolving any outstanding minor CARs) — and that the plan includes a responsive and practical schedule.

B. Prioritizing Corrective Actions

In many cases, a company will have a significant number of issues to address after an audit, making it difficult to assess which actions must be taken first. In setting a schedule for addressing concerns, the facility seeking certification should first resolve any major Corrective Action Requests (CAR) (meaning severe, systemic, potentially endangering workers, and/or certification-stopping) and any minor CARs [requiring a remedial plan and schedule, but not serious and systemic or certification-stopping] that can be resolved quickly. Major CARs include fire hazards and exposure to harmful chemicals. Certain types of corrective action can be addressed quickly and without incurring great expense, e.g. clearing a blocked aisle. Such measures should be implemented immediately. Remedying other non-conformances may take time. Placing working children into schools and hiring parents can also take months, especially if there are no schools in the area. If the facility fails to remediate the children or places children at risk — due to a worse job situation and continued lost school time — then a major CAR will be given.

If a facility has any major CARs outstanding, it cannot be certified for compliance with SA8000. Ultimately, all of the outstanding corrective action requests should be time bound in order to prepare the company for a surveillance audit.

C. Surveillance Visits

Six months after the certification, the certification body will return for a surveillance visit. At that visit, the audit team will assess whether or not all CARs have been properly addressed. Auditors may also address new concerns and reassess overall conformance. Consultation with national or local trade union representatives and other NGO and community groups in order to learn if any new problems or issues have arisen would be a good idea.

The following items should be addressed:

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1) Are workers aware of changes made to correct and prevent the recurrence of CARs?

- 2) Is there evidence the correction is effective, has addressed root causes, and that preventive steps have been taken to avoid recurrence?
- 3) Have complaints been promptly and properly addressed?
- 4) Have CARs and the related resolution to CARs been properly documented?

Wherever possible, the auditor(s) conducting the surveillance site visit should be the same auditor(s) who conducted the audit. After several audits, however, rotation is a useful way to assure the independence of auditors and to bring fresh eyes and ears to the audits. Typically, one fourth of the system would be reviewed at each surveillance audit — in addition to CARs follow-up, so that the whole system will have been reviewed by the time of re-certification after three

years.

Pursuant to Auditor Advisory number fourteen on Surveillance Scheduling and Audit Days, surveillances must take place after six months. If there are no major or minor CARs after twelve months (two consecutive surveillance audits), then surveillance can be scheduled every twelve months for the remaining time on the three-year certification. The total number of days on surveillance should equal at least 1/3 of the days of the initial visit.90

D. Guide to Training

Training on the importance of SA8000 should be provided to every worker and manager. The emphasis should be on training and consulting with workers to incorporate SA8000 into their daily activities and to having social accountability become part of management and company culture (i.e. the way of doing business).

1) Development of Manuals

Auditors can review training materials to ascertain whether or not they are userfriendly,

specific and contain all of the necessary definitions, procedures, and guidelines in the local language understood by staff. Where workers may be illiterate, illustrations and oral explanations should be used.

2) Training

The auditor should confirm that introductory training was given to all staff and to contractors. Check for records detailing the names of staff members who have received training and the dates of training; and ascertain that all new employees were given the same training and proper records maintained.

E. Inside Communication and Verification

To verify that progress updates were provided on a regular basis, look for recorded announcements at meetings and amendments to systems manuals. Procedures for ensuring that the changes are clearly understood by staff should also be documented. Look to see if updates are posted in visible locales throughout factories and distributed to staff. Ascertain if contributions to the SA8000 program are incorporated within the performance review criteria of managers.

F. Keys to Success

The following are keys to a successful social accountability development process:

- 1) Keys to effective implementation on the companies' side
  - a) Commitment of top management;
  - b) Coordinated staff effort with worker participation;
  - c) Improved communication with workers, trade union and other relevant groups;
  - d) Integration of compliance and production goals;
  - e) Screening of suppliers;
  - f) Continuing education of contractors;
  - g) On-going information gathering and management reviews;
  - h) Appropriate and timely responses to problems found as complaints & concerns raised.

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20 Keys to effective auditing on the certification bodies' side

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- a) Commitment of the top management of the certification body;
- b) Ongoing communication with trade unions, NGO groups and other experts;
- c) Effective training of all personnel involved with SA8000 audits;
- d) Effective management of documentation and reports related to the auditing;
- e) Appropriate and timely responses to complaints made by workers or interested parties.

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