

Responding To COVID-19: Guidance for SA8000®-Certified Organizations

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CONTENTS

- Introduction..... 1
- SAI Expectations..... 2
 - Management Systems Approach 2
 - Key Risk Areas 2
 - Internal and External Stakeholder Communications 4
- Policy Exceptions 5
 - Working Hours..... 5
- Annex: Sample Resources 6

INTRODUCTION

The current COVID-19 outbreak has now spread to over 100 countries. Globally, there are 120,000 confirmed cases of COVID-19, and the WHO risk assessment indicates a “very high” level of risk globally.¹ The global economy has already felt the effects of this disruption, and supply chains—particularly those with operations in China and Italy—have been directly impacted.

This is a complex and rapidly evolving global situation. As work and daily life slowly begin to resume in some places, others are just beginning to experience widespread disruption. In all cases, protecting the health and safety of our teams, partners, workers and communities is the utmost priority and is a responsibility shared by all of us. SAI is closely monitoring the situation and will share any new information as it becomes available.

While much remains uncertain, SAI hopes this document will provide useful guidance to SA8000-certified organizations on how to navigate that uncertainty, mitigate labor risks, and protect vulnerable workers as work resumes following this crisis. While SA8000 specifically addresses line workers as they are usually the most vulnerable, the spirit and intent of SA8000 applies to all workers, including supervisors and

¹ “Coronavirus Disease 2019 (COVID-19) Situation Report – 48.” World Health Organization, 2020, Coronavirus disease 2019 (COVID-19) Situation Report – 48.

managers. This is especially important to remember, as this crisis has affected, and will continue to affect, workers at every organizational level.

This document details SAI expectations during this difficult period, including key risk areas to note, and temporary exceptions to normal SA8000 requirements. In all cases, certified organizations are still expected to meet legal requirements. Where regulatory bodies issue guidance for a temporary period, you should follow that guidance as long as it does not violate the intent of the SA8000 Standard.

SAI EXPECTATIONS

SAI understands that this is a difficult time for all affected. We hope that during this extraordinary situation, everyone can work together to ensure the least possible injury to workers and society. To this end, we have outlined below some guidelines and issues to consider when resuming operations to protect the rights of all workers.

MANAGEMENT SYSTEMS APPROACH

A major advantage of using a management-systems approach in any situation is a higher degree of preparedness for unexpected disruptions. We hope that the management-systems approach required by SA8000 will make certified organizations more prepared than most to weather this crisis. In keeping with the management systems requirement, we expect certified organizations to employ a risk-based approach when resuming operations following COVID-19 shutdowns. As you consider the possible business risks, SA8000 also requires that you consider the risks to human rights in your workforce. This means, in consultation with workers and stakeholders:

- Performing a risk assessment that includes the factors described in the “Key Risk Areas” section below.
- Considering how current policies further exacerbate or address the salient risks.
- Developing a plan to address any gaps that are revealed during the risk assessment.
- Implementing procedural changes to address gaps and allocating adequate resources to ensure policies are effective.
- Measuring efficacy and performing root-cause analyses when procedural failures are discovered.
- Implementing improvement plans to address failures and remedy any negative impacts.

KEY RISK AREAS

To help certified organizations prepare for possible negative impacts on worker’s lives, we have outlined below some key risk areas to consider. This is not an exhaustive list, but it should help guide your risk assessment, as required for a management-systems approach to this crisis.

SAI expects that certified organizations will consider the following labor issues posed by COVID-19.

- **Health and safety protocols adapt to mitigate infection risks.** As the situation stabilizes and daily life begins to resume following the crisis, there are still risks of infection. You should consider:

- Whether your health protocols are adequate to prevent and identify infection.
 - Whether workers are empowered to speak honestly about their health.
 - Whether workers are able to continue earning wages after indicating possible infection and necessary quarantine.
 - Whether workers are able to work from home in any capacity.
 - Whether workers have access to, and training with, necessary protective health equipment.
 - Whether workers have proper hygiene training
- **Working hours are kept within healthy limits.** Following disruptive shutdowns, there may be pressure from both internal and external stakeholders to exceed healthy working hours to complete backlogs or recover lost orders. When resuming operations you should consider:
 - Whether contracts need to be updated to allow for additional or flexible hours.
 - How you will ensure worker health during periods of extensive overtime.
 - How you will ensure workers participating in extensive overtime are doing so voluntarily.
 - How you will ensure workers receive adequate rest periods during periods of extensive overtime.
 - How you proactively engage with your buyers and make them aware of the impact of their purchasing practices

See "Policy Exceptions" section below for more information on allowable working hours.

- **Wages meet minimum wage and living wage requirements.** Most businesses will likely experience lost orders and revenue as a result of shutdowns during this crisis, in many cases creating a need to cut costs. If this is the case for your business, you should consider:
 - Whether rates of pay need amending, the possible impact on workers, and your ability to meet the SA8000 Standard requirements.
 - How you can financially support workers currently not earning wages due to shutdowns or limited work. Are there legal requirements you must follow?
 - How you can support workers to meet their needs during this crisis.
 - How you can assist in addressing lost wages and debts incurred, if possible.
 - How you can identify and share information about applicable government programs and resources (whether regular or special) with workers.
- **Workers' jobs are protected or redundancy follows SA8000 intent and local law.** Some jobs are likely to become precarious in situations like this. You should consider:
 - How you will ensure workers get due remuneration if they are not able to return to work.
 - Your redundancy plan in case you cannot bring back workers due to lack of work.
 - Your plan for compensating workers in the case that you must end their contract prematurely.
 - Whether you are communicating effectively with workers and worker representatives or unions about the process and how to bring workers back.

- **Hiring in these periods meets legal requirements and addresses child and forced labor risks.** Some companies may have lost workforce and need to hire for many positions quickly. You should consider:
 - What safeguards are in place are to protect new hires and to determine that workers are not under the legal age limit, or employed under false pretense, hidden forced labor, and/or a coercive government-re-training program?
 - How to ensure that health screening and checks are extended to temporary workers.
- **Suppliers are able to meet demand and SA8000 intent.** As your organization starts to ramp up production, you may be relying heavily on suppliers. You should take a partnership approach with your suppliers and consider:
 - The risks posed by COVID-19 to the region or operations and the feasibility of returning to work safely.
 - The capacity of your suppliers to meet your demand and the demand of other buyers.
 - The likelihood of subcontracting to occur in your supply chain and the possible human rights impacts on workers.

SAI expects that certified organizations will consider all of the above labor risks in addition to the risks unique to their own organization, and take the necessary steps to prevent, mitigate, and remediate any such issues that arise.

INTERNAL AND EXTERNAL STAKEHOLDER COMMUNICATIONS

It is crucial during times of emergency to constantly engage with stakeholders as a way to stay informed on critical situation updates and to reduce fear and uncertainty as much as possible. Effective communication with stakeholders is an important element of the SA8000 management-systems approach and plays an even more important role in responding to the COVID-19 emergency.

EXTERNAL COMMUNICATIONS

It is critical at this time to understand all salient issues. Therefore, it will be important to engage with your key external stakeholders (unions, governments, NGOs, buyers, etc...) to ensure you have their perspective and support. You should consider:

- Government regulatory announcement and guidance during this period.
- Social programs offered by government to support workers and business.
- Union engagement on the issues and role in coming to solutions.
- NGO programs aimed at supporting workers impacted by this crisis.
- Buyer-supplier engagement to improve the flow of sourcing and production
- Stakeholder expertise and ability to assist in mitigating the negative consequences of all risks.

MEETING-LEGAL EXPECTATIONS

As mentioned in the introduction, certified organizations are still expected to meet legal requirements during this emergency period. Where regulatory bodies issue guidance for a temporary period, you should follow that guidance as long as it does not violate the intent of the SA8000 Standard.

For example, the Chinese government recently released guidance titled: "Notice on Properly Handling Labor Relations during the Prevention and Control of Pneumonia Epidemic of New Coronavirus Infection." This document allows for a temporary relaxation on wages and hours where workers have freely negotiated these issues through their union or worker representation. We expect that certified organizations will adhere to such regulatory measures only if they meet or exceed the protections for workers required by SA8000 and the limits of the policy exceptions below.

WORKER INVOLVEMENT AND COMMUNICATION

The global COVID-19 crisis has far-reaching impacts for both individuals and business. SAI expects that when crises arise presenting such a significant effect on workers, certified organizations will prioritize communication and involve workers in developing the response.

- Ensure that that your organization's Social Performance Team (SPT) is directly involved in risk assessment. Worker representatives and SPT members should provide input on the specific difficulties faced by workers.
- Prioritize input from workers and SPT members.
- Keep your workforce informed at each step of the process. This includes providing honest, accurate, and complete information concerning the status of your operations, your expectations during this time, and what support you are able to offer.
- Consult with workers' unions and collectives. Certain issues, such as wages and working hours, require freely negotiated agreements (even if temporary) between workers and management. Where unions and collective groups are present, they must be parties to this process.
- Ensure that all levels of management and supervision throughout the organization are aware of measures taken protect workers and are trained to implement them as needed.

POLICY EXCEPTIONS

To relieve some pressure on our certified organizations during this difficult and extraordinary crisis, and to support their business continuity and job stability for workers, SAI is introducing some temporary policy exceptions, described below. All companies should also refer to government statements and guidance where available (see links in Annex).

WORKING HOURS

As of March 13, 2020, this exception applies only to SA8000-certified organizations in China. SAI will release further information regarding other countries as it becomes available.

During this emergency period, SAI will allow the following exceptions regarding limits to working hours within the Standard:

1. If freely negotiated with workers' unions or representation, working hours may be up to 72 hours in a week providing all applicable requirements (legal/regulatory/contractual/other) are also fulfilled.
2. Employers must provide at least 1 day off within a 7-day period.

3. SAI will re-assess this special policy every 6 weeks.

ANNEX: SAMPLE RESOURCES

- UN News: [COVID-19: countries, businesses must safeguard human rights as virus spreads: Bachelet](#)
- China News:
- [Opinions of the National Federation of Trade Unions of the Ministry of Human Resources and Social Security and the China Enterprise Confederation / China Entrepreneurs Association on the Stability of Labor Relations during the Prevention and Control of New Coronavirus Infection and Pneumonia](#)
- [Notice on Properly Handling Labor Relations during the Prevention and Control of Pneumonia Epidemic of New Coronavirus Infection](#)
- FDA: [Coronavirus \(COVID-19\) Supply Chain Update](#)
- PwC: COVID-19: [Operations and supply chain disruption](#)
- ILO conventions and Recommendations
- ILO Declaration on the Fundamental Principles and Rights at Work
- Cascio, W (2002) Responsible Restructuring: Creative and Profitable Alternatives to Lay Offs. San Francisco, Berrett-Koehler Publishers.
- Esser, D., & Ozoux, P. (2004) Restructuring with Workforce Reduction – How to manage the process in a socially sensitive manner.
- ILO Series on Human Resource Management. Geneva, ILO. European Social Fund (2006)
- Managing Retrenchment. Good Practice Note, August, No 4. Washington, DC., IFC. IFC (2006)