

SUPPORTING JOB STABILITY DURING THE COVID-19 CRISIS

TEMPORARY POLICY EXCEPTIONS TO SA8000 STANDARD®

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The extraordinary situation caused by the COVID-19 pandemic has introduced many challenges for workers and businesses around the world. In our conversations and engagement with SA8000-certified organisations, we have seen that this crisis has directly affected some organisations' ability to fully maintain certain system requirements, especially those related to working hours and remuneration. To support business continuity for our certified companies and job stability for workers, SAI is allowing some temporary exceptions to the normal SA8000 Standard requirements.

Organisations must still use a management systems approach and maintain the strong internal controls required by SA8000, which, in most cases create resiliency and provide their own path forward in the face of external risks. These exceptions acknowledge the unusual magnitude of externally driven challenges introduced by the global pandemic and give organisations time to respond and recover. They aim to allow greater flexibility for organisations struggling in the current moment, while maintaining the spirit and intent of the SA8000 Standard to protect workers' rights.

SAI will re-assess these temporary policy exceptions quarterly.

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I. CONDITIONS AND ENFORCEMENT

A. CONDITIONS FOR TEMPORARY POLICY EXCEPTIONS

I. EXCEPTIONAL CIRCUMSTANCES

In all cases, temporary policy **exceptions are limited for use only by organisations facing exceptional circumstances as a result of COVID-19**. The temporary exceptions intend to prevent further job loss and protect workers during this crisis; organisations should only apply the temporary exceptions as a last resort to remain solvent and protect job stability and health and safety for workers. The necessary “exceptional circumstances” are specific to each temporary exception:

EXCEPTIONAL CIRCUMSTANCES FOR WORKING HOURS

Refers to situations where there is an imbalance between production needs and labour availability due to external forces related to COVID-19. For example, organisations may face an imbalance due to volatile or unpredictable demand from buyers, irregular availability of supplies, low number of workers available or assignable due to lockdowns, worksite reconfigurations or other public health requirements, workers fearing the health risks of premature return, workers unable to travel back from other cities, etc.

EXCEPTIONAL CIRCUMSTANCES FOR REMUNERATION

Refers to situations where an organisation temporarily lacks the resources to pay a living wage due to external factors related to COVID-19 (e.g. cancelled orders, lack of new orders, delayed payments from buyers, increased costs for health and safety, etc.). The organisation also must not be eligible for stimulus relief from their government sufficient to cover workers’ normal wages.

In all cases, the organisation shall **assess alternative solutions** before applying a temporary exception. If no alternative solutions exist for protecting jobs, then the organisation may apply the relevant temporary exception (to the extent permitted by relevant legal authorities).

If an organisation applies a temporary exception in accordance with all requirements, they shall also **regularly assess possible alternatives** that would allow them to protect jobs while also returning to full alignment with the normal SA8000 Standard requirements.

Unless amended by future SAI reviews of this policy, exceptional circumstances will end when any of the following occur:

- The organisation identifies an alternative solution to protect jobs that aligns with normal SA8000 Standard requirements;
- Laws and/or legal directives allowing temporary exceptions are rescinded by the relevant authorities; or
- On December 31, 2020.

II. LEGAL CONTEXT

All applicable laws and/or legal directives still apply. Organisations may only apply a temporary policy exception to the extent that applicable laws and/or legal directives permit. Applicability of the temporary exceptions will differ by locality and may change over time. Should any interpretive challenges to this temporary policy arise, SAI will consider and issue more guidance, as needed, on enforcing this temporary exception in each context. Certified organisations should contact their CB for more information on how the temporary exceptions apply in their location.

III. COMMITMENT TO HUMAN RIGHTS AT WORK

In all cases, the organisation's senior **management shall remain fully committed to SA8000** principles when applying a temporary policy exception. Management shall also fully inform supervisors, workers, and their SA8000 certification body about any changes and ensure that they understand the ongoing commitment to SA8000 and temporary nature of the changes.

B. ENFORCEMENT OF TEMPORARY POLICY EXCEPTIONS

While these temporary policies are in force, should a CB auditor observe conditions that meet the requirements of this SAI 'Policy Exceptions' document, but not meet 'regular SA8000 requirements', he/she is required to raise a special type of non-conformity clearly identified as a "COVID-19 non-conformity".

Such non-conformities shall not jeopardize the client organisation's initial or ongoing certification. COVID-19 non-conformities may be raised during an audit of any type, at any time in a certification cycle, and are to be managed by the CB in accordance with [SAAS COVID-19 Alternative Process Requirements for the SA8000 Program](#).

II. TEMPORARY POLICY EXCEPTIONS

A. WORKING HOURS (SECTION 7)

Beginning on June 19th, 2020, certified organisations facing exceptional circumstances (as defined above) may temporarily extend working hours per week. Under this temporary exception, working hours per week may extend to the maximum allowed by law or up to 72 hours total, whichever is more stringent. This temporary exception does not alter the definition of 'normal work week' as defined by SA8000 (maximum 48 hours or as defined by law, whichever is more stringent).

ALL other SA8000 requirements related to working hours still apply. The clauses affected by this temporary exception are highlighted in the Standard text below:

7. WORKING HOURS

Criteria:

7.1 The organisation shall comply with applicable laws, collective bargaining agreements (where applicable) and industry standards on working hours, breaks and public holidays. The normal work week, not including overtime, shall be defined by law but shall not exceed 48 hours.

7.2 Personnel shall be provided with at least one day off following every six consecutive days of working. Exceptions to this rule apply only where both of the following conditions exist:

a) National law allows work time exceeding this limit; and

b) A freely negotiated collective bargaining agreement is in force that allows work time averaging, including adequate rest periods.

7.3 All overtime work shall be voluntary, except as provided in 7.4 below, shall not exceed 12 hours per week and shall not be requested on a regular basis.

TEMPORARY POLICY EXCEPTION: Limitations of overtime hours per 7.3 are temporarily rescinded providing:

- a) No worker may exceed 72 total hours/week or 12 hours/day.**
- b) Workers are paid any applicable premium rates (in accordance with SA8000 8.4) for all hours exceeding a 'normal work week.'**
- c) Workers shall be given regular and adequate breaks.**

7.4 In cases where overtime work is needed in order to meet short-term business demand and the organisation is party to a freely negotiated collective bargaining agreement representing a significant portion of its workforce, the organisation may

require such overtime work in accordance with such agreement. Any such agreement must comply with the other requirements of this Working Hours element.

FULL WORKING HOURS CONDITIONS

In addition to meeting all other Standard requirements related to working hours, the following conditions apply:

- Organisations seeking to use this approach must be able to share the applicable government-amended law or directive with workers.
- The increase in working hours shall be freely negotiated with workers' unions or representation where present.
- As per 7.1, the organisation shall comply with applicable laws, collective bargaining agreements (where applicable) and industry standards on working hours, breaks and public holidays.
- The organisation shall conduct a risk assessment and demonstrate that they have appropriately mitigated all risks associated with this policy (refer to SAI document [Responding to COVID-19: Guidance for SA8000-certified organisations](#)).
- As described in §1.A., the organisation shall discontinue this temporary exception if an alternative emerges to protect jobs.
- The organisation shall clearly communicate with the social performance team (SPT) BEFORE finalizing a temporary exception.
- The organisation shall clearly communicate with all workers to ensure they understand the changes.

B. REMUNERATION (SECTION 8)

Beginning on June 19th, 2020, with the release of this policy, certified organisations facing exceptional circumstances (as defined above) may adjust workers' wages temporarily, but ONLY to the extent permitted by applicable laws and/or legal directives.

ALL other SA8000 requirements related to remuneration still apply. The clauses affected by this temporary exception are highlighted in the Standard text copied below:

8. REMUNERATION

Criteria:

8.1 The organisation shall respect the right of personnel to a living wage and ensure that wages for a normal work week, not including overtime, shall always meet at least legal or industry minimum standards, or collective bargaining agreements (where applicable). Wages shall be sufficient to meet the basic needs of personnel and to provide some discretionary income. TEMPORARY POLICY EXCEPTION: Wage rates for a 'normal work week' (as defined by 7.1) shall at least meet the minimum wage

required by law and/or legal directives or, where relevant, the wage that has been freely negotiated with workers' unions or representation.

8.2 The organisation shall not make deductions from wages for disciplinary purposes. Exception to this rule applies only when both of the following conditions exist:

- a) Deductions from wages for disciplinary purposes are permitted by national law; and
- b) A freely negotiated collective bargaining agreement is in force that permits this practice.

8.3 The organisation shall ensure that personnel's wages and benefits composition are detailed clearly and regularly to them in writing for each pay period. The organisation shall lawfully render all wages and benefits due in a manner convenient to workers, but in no circumstances in delayed or restricted forms, such as vouchers, coupons or promissory notes.

8.4 All overtime shall be reimbursed at a premium rate as defined by national law or established by a collective bargaining agreement. In countries where a premium rate for overtime is not regulated by law or there is no collective bargaining agreement, personnel shall be compensated for overtime at the organisation's premium rate or at a premium rate equal to prevailing industry standards, whichever is higher.

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

FULL REMUNDERATION CONDITIONS

In addition to meeting all other Standard requirements related to remuneration, the following conditions apply:

- Organisations seeking to use this approach must be able to share the applicable government-amended law or directive with workers.
- The organisation must conduct a risk assessment and demonstrate that they have appropriately mitigated all risks associated with this policy (refer to SAI document [Responding to COVID-19: Guidance for SA8000-certified organisations](#)).
- As described in §I.A., the organisation shall discontinue this temporary exception if an alternative emerges to protect jobs.
- Wherever collective agreements exist or there is a process for negotiation and consultation with worker organisations, those organisations shall be involved in negotiating the temporary wage rate.

- The organisation shall clearly communicate with the social performance team (SPT) BEFORE finalizing such policy temporary exceptions.
- The organisation shall clearly communicate with all workers to ensure they understand the changes.