



SA8000 Certification Rules

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1. PURPOSE

- 1.1 This document defines the requirements to be met by an organization applying for social accountability management systems certification, in compliance with SA8000 International Standard, including the procedure for obtaining, maintaining, extending, reducing, suspending, or withdrawing IQNet Ltd SA8000 certification.
- 1.2 These Certification Rules constitute a fundamental basis of the SA8000 certification process and are an integrating part to the Certification Contract (I 009-SA).
- 1.3 IQNet Ltd SA8000 Certificate provides confidence that the certified organization:
 - has documented and implemented a management system in compliance with the requirements of SA8000 Standard and the SA8000 Performance Indicator Annex;
 - is capable of meeting its documented policies and procedures.

2. SCOPE AND REFERENCES

- 2.1 IQNet Ltd is a Corporation pursuant to section 620 at seq. of the Swiss Code of Obligations, with its registered office in Bern/Switzerland. The duration of the Corporation is unlimited.
- 2.2 The owner of IQNet Ltd is IQNet Association, composed by partners active in the management system certification worldwide.
- 2.3 IQNet Ltd offers assessment and certification services for SA8000 under the accreditation and recognition of SAAS (Social Accountability Accreditation Services) – a division of SAI (Social Accountability International). IQNet Ltd can provide SA8000 certification services at international level, by using IQNet Ltd qualified auditors.
- 2.4 SA8000 audits follow the rules defined by SAI and SAAS in its accreditation procedures, related advisories, notifications and SA8000 International Standard and related supporting documents.
- 2.5 With the accreditation of IQNet Ltd by SAAS, successfully SA8000 assessed clients by IQNet Ltd will receive their accredited SA8000 certificate.
- 2.6 IQNet Ltd ensures that its services are credible and reliable; focused at adding value to the certified clients and its stakeholders.
- 2.7 IQNet Ltd ensures that its services are impartial and in line with its set impartiality and anti-bribery policies. IQNet Ltd services do not include any form of consultancy for the certification applicant (development of the management system documents or system implementation).
- 2.8 This document is based on the following reference documents:
 - SAAS Procedures 200, 200A, 201A, 201B and any related Advisories and Notifications;
 - SA8000 Standard and SA8000 Performance Indicator Annex;
 - SAI related SA8000 guidance documents;
 - ISO/IEC 17021.

3. DEFINITIONS

- 3.1 The definitions of SAAS Procedure 200 are applicable (see <http://www.saasaccreditation.org/document-library>).

4. CRITERIA FOR SA8000 CLIENTS

- 4.1 The certification of an organization will apply to the entire entity, and not only to part of it. If there are several production facilities, all will be audited for certification. Similarly, in a continuous process of fabrication and finishing and packaging, the entire process shall be compliant in order for certification to be granted. Subsidiaries of an organization are not automatically included in the certificate if these are not included in the audit program and accordingly audited.
- 4.2 The certification process is voluntary, and any organization can apply for certification, by completing sections of the Application for Proposal form (F 002-SA).
- 4.3 IQNet Ltd makes available its services to all applicants (except as detailed below) on a non-discriminatory basis. The access to IQNet Ltd certification services is not conditional upon the size of the organization or its membership to any association or group.
- 4.4 IQNet Ltd provides SA8000 certification in all countries where it has capability to ensure the service. For the scope of SA8000 certification, the People's Republic of China and its Special Administrative Regions of Macau, Hong Kong and Taiwan, will be treated as separate countries.
- 4.5 SA8000 certification is generally applicable in all industries and scopes, except as provided below:
- 4.6 Excluded activities for which SA8000 certification cannot be provided (as per SAAS requirements):

- as per SA8000:2014 Certification Exclusion List: currently maritime activities

Maritime Activities - SA8000 Certification is not permitted to those organizations involved in maritime activities, as covered by the ILO Maritime Labour Convention, 2006 (No 186).

However, are eligible for certification those activities that related to seafarers on vessels that navigate exclusively in inland waters or waters within, or closely adjacent to, sheltered waters or areas where port regulations apply.

The determination as to whether a ship is a certifiable workplace will depend on several factors, including definitions supplied by local regulations.

- SA8000 certification will not be provided to organizations without active operations, i.e. shell companies.

- 4.7 In order to be considered for certification and organization need to:
 - have been engaged in its stated business for at least 6 months prior to application;
 - have active contracts with its clients.

5. OBLIGATIONS OF THE CLIENT

- 5.1 In order to obtain and maintain the certification, the organization shall fulfil at minimum the following obligations towards IQNet Ltd:
 - to comply with the requirements of the Certification Contract and of these Certification Rules, in their version in force;
 - to comply with the requirements of SA8000 International Standard, SA8000 Performance Indicator Annex, SAI guidance documents and the applicable national and international legislation;
 - to comply with the requirements on the use of the certificate and certification mark;
 - to supply IQNet Ltd with all necessary and truthful information, in order to fulfil the SA8000 audit activities and make the certification decision;
 - to supply IQNet Ltd with all necessary and truthful information, related to the use of consultants and their names. Furthermore, the organization undertakes to inform IQNet Ltd on any changes in the

- matter;
- to notify IQNet Ltd on all changes in legal status, ownership, organization, premises or personnel which may affect its management system, scope of operations and processes. Notification must be given with sufficient notice in order to evaluate the effects on the certification contract. Changes may require revisions to the Application for Proposal (F002-SA) and Proposal for SA8000 Certification (F006-SA);
 - to accept subsequent changes in the audit program, as described in any revised versions of the Proposal for SA8000 Certification (F006-SA), generated by changes related to the organization (as per above) or further to the changes in the SA8000 certification rules;
 - to make all the necessary arrangements for the conduct of the assessment, including arrangements for document and record review, access in all the areas for the personnel appointed by IQNet Ltd to carry out the assessment, surveillance, special audits or for investigating complaints;
 - to register in SAI Database and complete the Self-assessment and to enable the performance of the SAI Maturity Declaration by IQNet Ltd Audit Team as provided for in paragraph 7.3 of these Certification Rules;
 - to provide access, assistance, information, records, documentation and facilities to the audit team; accompanied by accreditation auditors as and when required;
 - to allow auditors of IQNet Ltd to enter the clients premises at any time, including initial/recertification audits, announced, semi-announced and unannounced surveillance audits, follow-up and special audits;
 - to support the auditor's activities in an appropriate manner;
 - to provide any necessary personal health and safety training and, where appropriate, the complete personal protective equipment for IQNet Ltd audit teams.
 - to assign guides to accompany each member in the audit team, as requested;
 - to allow IQNet Ltd and the SAAS accreditation body to conduct witnessed, duplicated audits or market surveillance visits at the audited premises;
 - to supply sufficient evidence, that an effective SA8000 social accountability management system is in place and maintained;
 - to demonstrate the capability to solve nonconformities and other requirements defined by the auditors or by the IQNet Ltd Head Office, respecting the set deadlines;
 - to communicate to IQNet Ltd any situation, which could affect the certification of the organization (e.g. pending legal action, problems with tribunals and NGOs, etc.);
 - to allow IQNet Ltd to review the records of all complaints and corrective actions taken in accordance with the requirement of the social accountability management system or other normative documents;
 - to have procedures in place that ensure workers are aware of their right to send a complaint directly to the certification body, SAI or SAAS;
 - to ensure that the workers can apply this procedure without sanctions or punishment;
 - to pay in time the invoices issued by IQNet Ltd through its Local IQNet Ltd Representatives, in compliance with the signed Certification Contract and the signed financial Proposal for SA8000 Certification.

6. APPLICATION

6.1 APPLICATION

- 6.1.1 The IQNet Ltd application package contains: Certification Rules and Application Form. Application requests will be sent either directly to IQNet Ltd in Switzerland or to one of IQNet Ltd local representatives.
- 6.1.2 The certification process is voluntary, and any organization can apply for certification, by completing sections of the Application for Proposal form (F 002-SA).
- 6.1.3 IQNet Ltd requires an authorized representative of the applicant organization to provide the necessary information to enable it to establish the following:
- the desired scope of the certification;
 - relevant details of the applicant organization as required by SA8000 certification scheme, including its name and the address(es) of its site(s), its processes and operations, human resources, relationships and any relevant legal obligations;
 - identification of outsourced processes used by the organization that will affect conformity to SA8000

requirements;

- whether there is an initial certification, renewal or transfer of accredited SA8000 certification;
- whether consultancy relating to the management system to be certified has been provided and, if so, by whom.

6.1.4 The scope of the certification will consider the following:

- the geographic boundaries will be defined (addresses of all permanent sites covered by certification);
- scope desired for certification will be clearly identified and include the nature of the organization in terms of the products and/or services it provides, as well as its physical addresses;
- all processes, properties and operations of a continuous process or premises will be covered by certification and will be included in the application;
- IQNet Ltd will certify an entire organization and will not certify personnel in only one department of a multi-department organization and not the others. Departments are interrelated and personnel might move from one department to the other;
- the stated number of personnel will include seasonal, part time, contracted and temporary workers paid by the client, either directly or through an employment agency. Calculation of the work force should be based on worker totals during the peak season.
- on-site and off-site exclusive suppliers will be treated as part of the organization's operation and included in the scope of the audit and audit day calculation;
- in cases where a subcontractor is used by the certified organization to deliver parts of its activities, the certificate scope statement will clearly specify that some processes are delivered by subcontractors and those parts are excluded from the scope;
- if the certification is sought for a multi-site organization, all addresses will be clearly defined as they will be listed on the certificate, be publicly available and reported to SAI and SAAS;
- working conditions for all personnel working on-site of the organization (including those employed by supplier organizations) are required to also comply with the requirements of SA8000;
- employment agencies will include their contracted workers in their scope of certification.

6.1.5 Acceptance of the application is the responsibility of IQNet Ltd.

6.1.6 If the application is terminated prior to an SA8000 certificate being issued by IQNet Ltd, the client may be liable for an account cancellation fee.

6.1.7 With the signed Certification Contract, the candidate accepts the requirements set forth in this document and the Certification Contract.

6.2 APPLICATION REVIEW

6.2.1 IQNet Ltd reviews the application form for proper completion.

6.2.2 If the information provided is not complete, the client is requested to forward missing data.

6.2.3 If SA8000 certification application cannot be accepted by IQNet Ltd, the reasons will be made clear and the applicant has the right to reformulate the application.

6.2.4 If SA8000 certification application is accepted, IQNet Ltd determines the audit program based on the information provided. The audit program is developed for the full certification cycle and clearly identifies the audit activities required to demonstrate that the organization's management system fulfils the requirements for SA8000 certification.

6.2.5 The audit duration is established considering aspects such as the specific nature and characteristics of each organization, sector complexity, risks and number of personnel, as well as the results of any previous audits.

6.2.6 The applicant organization receives a customized proposal for certification (F006-SA).

6.2.7 The organization confirms its acceptance of the proposal by signing this document.

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- 6.2.8 By returning a signed copy of the Certification Contract (I009-SA), the organization undertakes to observe the contract terms (including the financial terms), together with the certification rules and the rules for using the IQNet Ltd SA8000 certification mark and the SAAS accreditation mark.
- 6.2.9 The contract and proposal are valid for 12 months from the date of the application for certification. If this interval is exceeded without conducting the initial certification audit, the application for certification will be filled in again and, considering the changes (if appropriate). IQNet Ltd is entitled to terminate the contract and proposal for certification.
- 6.2.10 IQNet Ltd can decline an application in the following circumstances:
- it does not hold or does not intend to extend SA8000 accreditation in the country of operation of the respective client;
 - it does not have the appropriate audit resources and/or availability to provide the service to a specific client or within a specific timeframe;
 - the client sector of activity is excluded from SA8000 certification, as per SAAS requirements (e.g. maritime);
 - the client refuses to provide adequate information or intentionally provides misleading or false information in its application;
 - there is significant evidence that, in the last 6 months prior to the application, the organization, the organization's directors and management staff, do not comply and, therefore, have been involved, sanctioned or sentenced by administrative or legal Authorities jointly and finally, on serious or very serious grounds, for any of the following:
 - illicit association, corruption in economic transactions, trafficking of influence, bribery, fraud, illegal exaction, offense against the inland revenue or the social security; offences against the state or against individuals; offences against freedom, against freedom of opinion, against religious or sexual orientation or expression; offences against the fundamental rights of persons; embezzlement and crime of receiving or similar conducts; special disqualification from a profession, job, industry or trade.
 - prohibition to act as Director/Manager or similar.
 - offences or sanctions in the employment area, against fundamental workers' rights.
 - fraudulent bankruptcy or winding-up by the court.
 - ban from public contracting laws due to an administrative sanction.
- 6.2.11 In some cases, as appropriate (e.g. transfer of accredited certification), the applicant will be requested to fill in also the additional form F007-SA Informative Questionnaire for Preparing the SA8000:2014. This will assist in a better understanding of client circumstances and developing the audit programme and audit activities.

6.3 MULTI-SITE ORGANIZATIONS APPLYING FOR SA8000

- 6.3.1 A multi-site audit scheme can be applied where multiple sites are assessed together in order to provide a group or country certificate.
- 6.3.2 A multi-site organization can be defined as an organization with an identified central management function (central office/main site/headquarters/head-office) at which organizational activities are planned, controlled and/or managed; and a network of local offices or branches (sites) at which activities are carried out. A multi-site organization need not be a unique legal entity, but all sites will have a legal or contractual link with the central office and be subject to a common management system.
- 6.3.3 Requirements for an organization applying for multi-site certification:
- complies with the definition of multi-site organizations.
 - has a common management system with established policies and procedures to manage all sites;
 - has a head-office (central function) and 2 or more sites and all sites operate under the same centrally managed system;
 - the certification scope is similar for all sites, and is clear and transparent for all stakeholders to understand exactly what is included in the certification;
 - all sites are located within the same country;

- has one designated and formally nominated SA8000 representative and deputy at the organization head-office, for the whole group of sites, as well as local management representatives at the additional sites;
- the following activities are performed or supervised by the designated head-office (central function):
 - authorization and control of the SA8000 management system documentation;
 - evaluation and control of corrective actions, including root cause analysis, corrective and preventive actions;
 - centralized management review covering all sites;
 - centralized hazard analysis and risk assessment activities and centralized management of locally based Social Performance Teams;
 - centralized internal audit planning, delivery and evaluation of internal audit results;
 - control of suppliers;
 - centralized management system addressing HR function;
 - identification and management of training needs;
 - management of legal requirements;
 - management of complaints.
- all sites are subject to on-site internal audits and surveillance by the head-office (central function) at least before the Stage 2/Recertification audit and then on a biennial basis (every 2 years). At least one of the members of the client's internal auditor team shall have demonstrated social auditing competency and qualification. The results of these internal audits shall be available to IQNet Ltd audit team for review during the head-office audit.
- it is not permissible to exclude sites from the scope of the multi-site certification process, in order to overcome the obstacle identified by non-conformities raised by IQNet Ltd with respect to a particular site;
- if the organization fails to meet the requirements of SA8000 over subsequent audits, this will affect the entire multi-site certification. In such cases, the certificate may be withdrawn, and each site would be requested to apply autonomously for certification;
- in case of workers that work at permanent sites not owned and not controlled by the organization (e.g. work employment or cleaning agencies), these activities can be only considered for the multi-site certification if the organization formally performs internal audits of these locations and maintains records of such audits. A sample of these permanent sites will be subject to internal audits each year by the organization and well as by IQNet Ltd. Should IQNet Ltd not be permitted access to any of these permanent sites, the multi-site certification may be suspended and subsequently withdrawn.

6.3.4 Multi-site certification will not apply to:

- organizations where the sites have fundamentally dissimilar or unrelated processes or activities, even though they may be under the same management system.

6.3.5 The organization should demonstrate its ability to collect and analyse data (including but not limited to the information listed above) from all sites, including the central site, and its authority and ability to initiate changes, if required.

7. AUDIT PROCESS

7.1 AUDIT PROGRAMME

7.1.1 See Annex 1 – Flowchart of the initial certification process.

7.1.2 An audit programme for the full certification cycle will be developed to clearly identify the audit activity/activities required to demonstrate that the organization's management system fulfils the requirements for SA8000 certification. The audit programme for the certification cycle will cover the complete management system requirements.

7.1.3 The audit programme for the initial certification will include a Stage 1 and Stage 2 initial audit, surveillance audits and follow-up reviews in the first and second years following the certification decision,

and a recertification audit in the third year prior to expiration of certification (complemented by a recertification follow-up review).

7.1.4 The audit objectives will include the following:

- the determination of the conformity of the organization's social accountability management system with the audit criteria;
- the evaluation of the social accountability management system ability to ensure the organization meets the applicable statutory, regulatory and contractual requirements;
- The evaluation of the effectiveness of the social accountability management system to ensure the organization is meeting the specified objectives on a continual basis;
- the identification of areas for potential improvement for the social accountability management system.

7.1.5 A pre-assessment may be conducted (audit prior to the initial stage 1 audit that identifies improvement opportunities and non-binding findings). However, this will not be considered as part of the initial audit.

7.1.6 The first three-year audit and certification cycles begins with the certification decision. Subsequent cycles begin with the recertification decision.

7.1.7 All SA8000 certified organizations will undergo periodic monitoring activities consisting of surveillance audits and follow-up reviews, where applicable.

7.1.8 A description of the SA8000 certification cycle is provided in Annex 2.

7.2 AUDIT ACTIVITIES

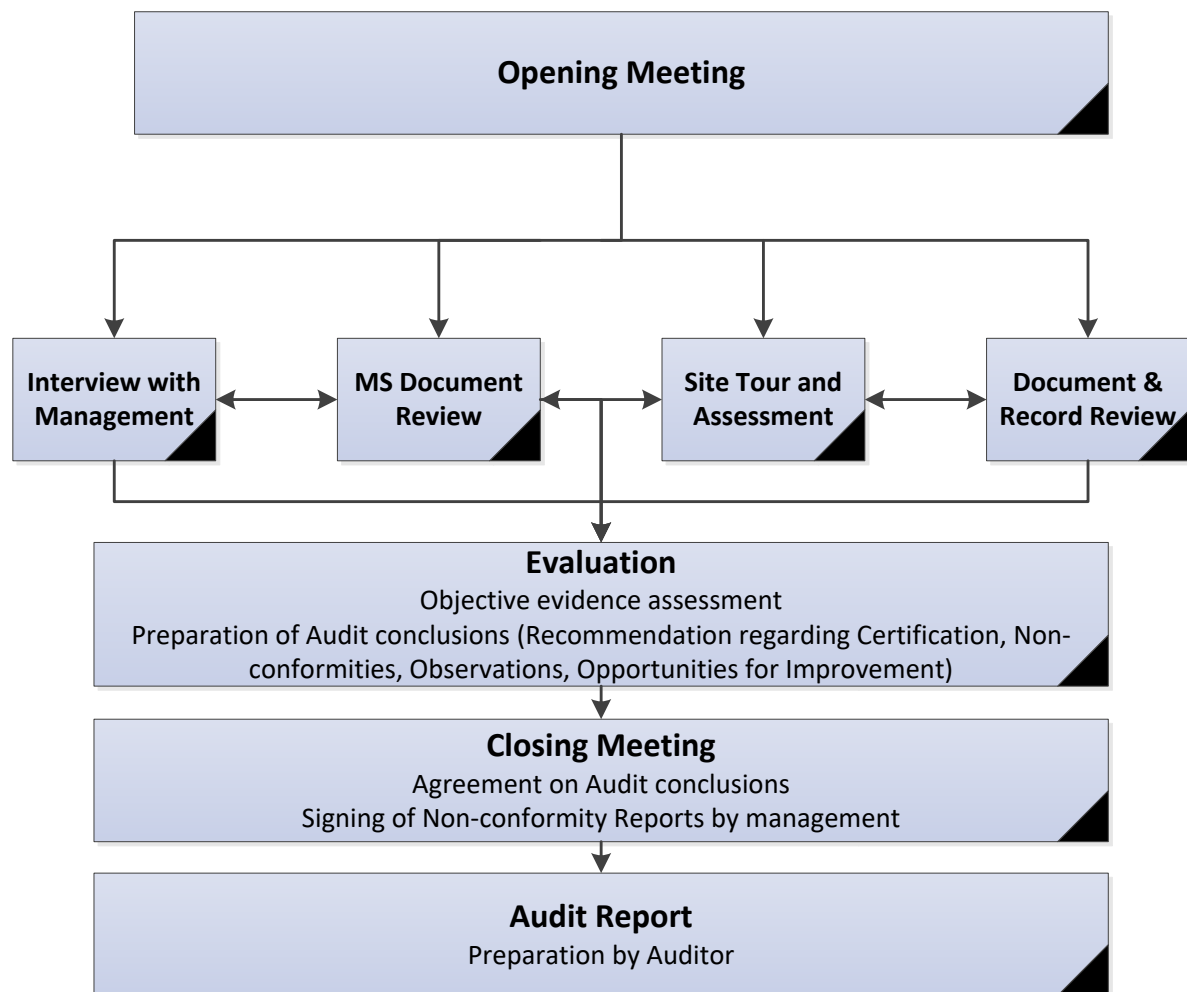
7.2.1 The audit planning and execution will take into account all personnel, both on-site and off-site, including temporary and contract labour and homeworkers. IQNet Ltd audit program will address all elements of the standard, at each sampled location; and will be given access to assess all shifts (crews).

7.2.2 Before every audit, the appointed IQNet Ltd audit team will submit to the client an audit plan (Stage 1, Stage 2, Surveillance, Recertification, Transfer and Special audits). The audit dates of the audit will be agreed upon, in advance, with the client, except for semi-announced audits.

7.2.3 During the audit activities, IQNet Ltd auditors will have direct access to the organization's management. Other persons such as consultants can participate in the audit as observers, without being allowed to interfere in the audit process or audit results.

7.2.4 The audit process is intended to gain facts about the level of compliance with SA8000 and associated performance requirements. This is achieved through a combination of meetings, document reviews, examination of records, site review and management and worker interviews. The basic flow of activities is illustrated below:

7.2.5 In order to enable the audit, the organization management is required to assign for each audit activity personnel with the necessary authority and responsibility to present and/or allow access of the audit team to the necessary locations, documentation, records, photographs and/or verbal clarifications for evidencing the organization's compliance with the specific requirements.



7.2.6 Opening Meeting

7.2.6.1 A formal opening meeting will be held with the organization's management and, as appropriate, those responsible for the functions or processes to be audited. The purpose of the opening meeting is to provide a short explanation of how the audit activities will be undertaken. The IQNet Ltd Code of Conduct and Ethics (Annex 5) will be handed over by the IQNet Ltd Audit Team and requested to be acknowledged by signature and respected by the Organization.

7.2.6.2 The senior management of the organization will be requested to attend the opening meeting. As applicable, this will include the responsible functions for health and safety, human resources and remuneration, recruitment, training, production schedules, time and attendance monitoring and social accountability compliance, supply chain (purchasing), etc.

7.2.6.3 Worker representatives, trade union representatives (if applicable) and Social Performance Team (SPT) members need to attend the opening meeting as well.

7.2.7 Site Tour and Assessment

7.2.7.1 The IQNet Ltd audit team needs to have access to all parts of the audited facility and will confirm all buildings and locations that the organization operates.

7.2.7.2 All areas of the organization are to be briefly toured (including canteen, dormitory, clinic and crèche and all other employer-provided worker service facilities, as appropriate). This will include any areas under construction or renovation and any temporary work areas, in order to evaluate whether:

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- there are any changes from the previous audit (if any);
- identification of any potential areas of work;
- identification of any major structural problems that are clearly evident;
- selection of potential candidates for worker interviews;
- assessment of the health and safety and working conditions.

7.2.7.3 In order to facilitate the process, the organization will provide a simple layout drawing/plan of their premises that includes all buildings and floors and canteen, dormitory, clinic and crèche and all other employer-provided service facilities, as appropriate, including any areas under construction/renovation.

7.2.7.4 During the tour, the IQNet Ltd audit team might engage in dialogue with workers about general working conditions or might select workers for interview. Interviews of on-site subcontractors may also be performed.

7.2.7.5 The IQNet Ltd audit team may provide randomly workers with contact cards, so workers can be in contact directly with IQNet Ltd after the audit.

7.2.7.6 The site tour may be performed in 2 stages: a brief overview tour at the beginning of the audit and a comprehensive health and safety and working conditions tour.

7.2.7.7 For semi-announced audits, the overview tour shall be performed at the very beginning of the audit before the opening meeting.

7.2.8 Review of Documents and Records

7.2.8.1 If required, the SA8000 Applicant will provide the social accountability management system documentation to the Lead Auditor before the conduct of Stage1 of the initial certification audit.

7.2.8.2 In order to prepare for an SA8000 audit, IQNet Ltd makes available to client organizations the SA8000:2014 Assessment Checklist (F009-SA). It is encouraged, as a good practice, once the self-assessment is completed, to make available the checklist with the results to the audit team before or at the beginning of the audit.

7.2.8.3 Part of each audit will include a detailed review of documents, such as management system documents, health and safety records, timecards, payroll, wage slips, and personnel records, etc.

7.2.8.4 Labour contracts, attendance and remuneration records for labour agency workers and/or cooperative workers are required to be available at least for every Stage2, recertification and/or transfer audit and upon the request of IQNet Ltd audit team.

7.2.8.5 In order to assist the organization with the audit preparation and to facilitate the audit process, Annex 4 provides a list of typical documents that should be made available to IQNet Ltd audit team during the audit. The documents will need to be prepared in advance and be readily accessible.

7.2.9 Interviews with Management

7.2.9.1 During the audit, the IQNet Ltd Audit Team will undertake discussions with management and relevant functions in order to assess the level of implementation and effectiveness of the SA8000 management system. This will include: the responsible functions for health and safety, human resources and remuneration, recruitment, training, production schedules, time and attendance monitoring and social accountability compliance, supply chain (purchasing), members of the social performance team, etc.

7.2.9.2 General personnel interviews will be undertaken in order to establish the compliance and awareness on SA8000 requirements. This will include: worker representatives, trade union representatives, staff, junior managers, first aiders, fire-fighting/emergency responders.

7.2.10 Confidential Worker Interviews

7.2.10.1 During each SA8000 audit (Stage 2, surveillance, recertification, transfer, special), it will be necessary to interview a cross-section of workers (non-managerial personnel). These interviews may be in groups

or one to one. Management cannot be present at such interview, to safeguard the confidentiality of individuals. Where interpreters are necessary there will be no links between the organization and the interpreter to ensure total impartiality.

- 7.2.10.2 Workers will be selected at random to be interviewed. The organization undertakes that those workers selected for interviews will be compensated in the same manner as if working at their regular job and will not be disadvantaged for being chosen for interviews.
- 7.2.10.3 All workers interviewed will be provided by IQNet Ltd Audit Team with a card containing the contact details of the auditors, IQNet Ltd and SAAS. The organization undertakes that it will not require the workers to return the contact details. Cards will be distributed also randomly during the organization walkthrough.
- 7.2.10.4 IQNet Ltd audit team, with the support of the organization representatives, will chose an area during the overview tour, where they will undertake confidential interviews of workers and no management may be present at the time of the interview.
- 7.2.10.5 If a trade union or worker representative exist, they can be allowed to attend the interview at the request and with the consent of the interviewed worker.
- 7.2.10.6 IQNet Ltd will maintain a list of the interviewed persons which will not be shared with the organization. This list will be used to ensure that different individuals are interviewed during subsequent audits or to do follow-up on issues at future audits.
- 7.2.10.7 Worker interviews may include interviews with on-site subcontracted labour and suppliers.
- 7.2.10.8 IQNet Ltd audit team may conduct also off-site worker interviews (outside organization premises).

7.2.11 Closing Meeting

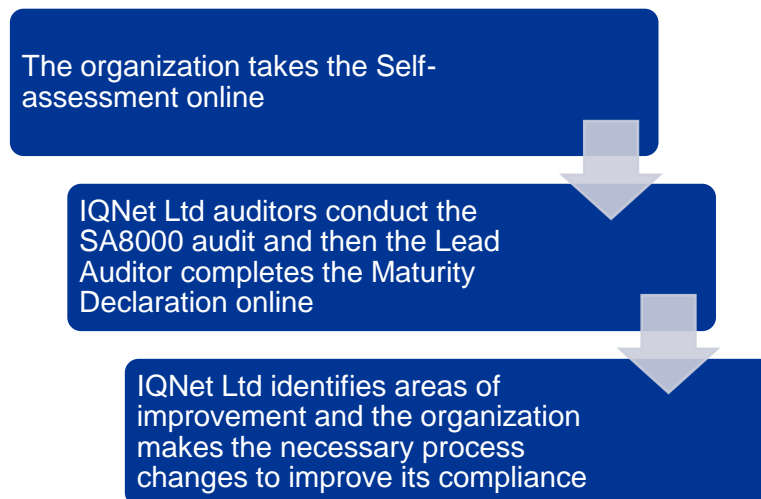
- 7.2.11.1 A formal closing meeting will be held with the client management and, as appropriate, those responsible for the functions or processes to be audited. The purpose of the closing meeting is to present the audit conclusions, including the recommendation regarding certification. Any non-conformities will be presented in such a manner that they are understood, and the timeframe for reporting will be agreed.
- 7.2.11.2 The non-conformity reports will be signed for acknowledgment by the organization. The audit team will leave a copy of any raised non-conformity with the organization.
- 7.2.11.3 The SAI Management System Maturity Declaration outcome, where conducted, will be verbally summarized.
- 7.2.11.4 Any diverging opinions regarding the audit findings or conclusions between the audit team and the organization will be discussed and resolved, where possible. Any diverging opinions that are not resolved will be recorded and referred to IQNet Ltd Certification Authority.
- 7.2.11.5 The senior management of the organization will be requested to attend the closing meeting. As applicable, this will include the responsible functions for health and safety, human resources and remuneration, recruitment, training, production schedules, time and attendance monitoring and social accountability compliance, supply chain (purchasing), etc.
- 7.2.11.6 Worker representatives, trade union representatives (if applicable) and Social Performance Team (SPT) members need to attend the closing meeting.

7.3 INTEGRATION OF SAI MANAGEMENT SYSTEM SELF-ASSESSMENT AND MATURITY DECLARATION IN THE AUDIT PROCESS

- 7.3.1 The SAI Self-Assessment and SAI Management System Maturity Declaration are online tools developed by SAI in order to help organizations and certification bodies to measure and rate social performance,

support the certification process and drive continual improvement. These will involve a combination between the organization self-assessment and auditors' independent assessment based on the same criteria related to management system.

7.3.2 The process has 3 main steps.



7.3.3 As a pre-requisite, the organization will need, at the beginning of the process, to register in SAI Database at <https://database.sa-intl.org/>, complete its profile, complete the Self-Assessment (additional costs apply) and link with IQNet Ltd. This is a mandatory step to enable the IQNet Ltd SA8000 audit to take place. Likewise, this step shall be completed for any recertification or transfer audit.

7.3.4 The audit time needed for performing the SAI Management System Maturity Declaration by IQNet Ltd audit team is incorporated in the Proposal for SA8000 Certification (F006-SA).

7.3.5 A description of the SA8000 Certification cycle an integration of the SAI Self-Assessment and Management System Maturity Declaration in the SA8000 Certification process is presented in annex 2.

7.3.6 More information on the SAI Database, the intervals for the Self-Assessment and Management System Maturity Declaration and the costs involved (as charged by SAI Database) are described on SAI Website at <https://sa-intl.org/resources/sa8000-getting-started/>.

7.4 AUDIT TEAM ASSIGNMENT

7.4.1 IQNet Ltd assigns the most appropriate and qualified auditors as members of the audit team. If necessary, the audit team can include experts, translators, auditors-in-training and other observers.

7.4.2 After receiving the information about the audit team composition, the organization could appeal against the appointment of any particular auditors and/or experts if it has evidence that a conflict of interest exists. In such a case objective evidence of the conflict of interest has to be sent to IQNet Ltd for its analysis. Final decision will be made by the Certification Authority of IQNet Ltd.

7.5 OBSERVERS AND GUIDES

7.5.1 The presence and justification of observers during an audit activity will be agreed between IQNet Ltd and the client prior to the conduct of an audit (except for unannounced audits)

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- 7.5.2 Observers can be members of the client's organization, consultants, accreditation body assessors, translators, IQNet Ltd and IQNet Ltd Representative personnel and witnessing auditors, auditors in training, regulators or other justified persons.
- 7.5.3 Each auditor will be accompanied by a guide, unless otherwise agreed by the audit team leader and the organization. Guide(s) are assigned by the organization's management to the audit team to facilitate the audit.
- 7.5.4 The Guide(s) will have the necessary authorities to support the audit team. The responsibilities of a guide can include: establishing contacts and timing for auditing relevant functions, arranging visits to specific parts of the site or organization, ensuring that rules concerning site safety and security procedures are known and respected by the audit team members, witnessing the audit on behalf of the client.
- 7.5.5 The audit team will ensure that observers or guides do not influence or interfere in the audit process or outcomes of the audit.

7.6 STAKEHOLDER ENGAGEMENT

- 7.6.1 Stakeholder engagement needs to be performed as part of the SA8000 certification process. The stakeholder engagement will be conducted periodically by IQNet Ltd and IQNet Ltd SA8000 audit teams.
- 7.6.2 The stakeholder engagement process will allow IQNet Ltd certification body and its auditors to engage with the community before the SA8000 audits, in order to gain an understanding of the sector, organization and region environment and specific issues related to SA8000 elements
- 7.6.3 The purpose of consultations is to provide auditors with background information enabling them to build a picture of the working conditions in advance and to know on what to focus during the audit, what are the most common issues in the industry, region, if the organization has any history of violations, etc.
- 7.6.4 Formal and informal consultations are an effective means of both gathering information on possible sensitive areas and also encouraging local organizations to monitor an SA8000 certified organization's continual compliance.
- 7.6.5 Typical stakeholders are:
- workers,
 - trade unions,
 - research institutions (e.g. institutes, universities, etc.),
 - NGOs, community organizations,
 - governmental bodies (e.g. health and safety inspection, labour inspection, local authorities, etc.),
 - professional industry associations,
 - labour experts.
- 7.6.6 Stakeholder consultations may include also materials, published by reliable sources (e.g. studies, surveys, reports, etc.), Internet research, etc.
- 7.6.7 Auditors will conduct local intelligence gathering, while on-site or in a specific area for audits. This may include checking with the local community in the early morning of the Stage 1 audit and/or in the evening between audit days and at the time of a semi-announced audit.

7.7 KEY PERSONNEL TO BE AVAILABLE ON THE AUDIT DAY

- 7.7.1 It is normal that the most appropriate person to be the main contact is a representative of the top management, Production Manager, Health & Safety Manager, or HR Manager. These persons,

wherever possible, should attend the opening meeting along with any union and/or worker representatives, and these same people should attend the closing meeting at the end of the audit.

- 7.7.2 If a large number of agency workers or cooperative workers (i.e. >5%) are working for the organization, then a representative of the labour agency and/or cooperative may be required to attend the audit.

7.8 IMPARTIALITY BY THE AUDITOR

- 7.8.1 As an additional support for professional auditor conduct during an audit, IQNet Ltd is making available its Code of Conduct and Ethics (Annex 5), describing the need for impartiality on behalf of the auditor. At the beginning of each audit, the organization is requested to sign this to confirm it has received and understood the content.

7.9 COMMUNICATION DURING THE AUDIT

- 7.9.1 During any audit, the audit team will periodically assess the progress of the work. Where the available audit evidence reveals relevant information not previously communicated by the organization, that the audit objectives are unattainable or indicates the presence of an immediate and significant risk (e.g. safety), the audit team leader will report this to the client and, if possible, to IQNet Ltd to determine appropriate action. Such action may include reconfirmation or modification of the audit program, of the audit plan, changes to the audit objectives or audit scope, or termination of the audit.

7.10 TAKING COPIES OF SAMPLE DOCUMENTS/RECORDS AND PHOTOS

- 7.10.1 It is a requirement of SAAS for any SA8000 accredited certification to support the audit report for certification, recertification and transfer with a sample of documents/records and photos to evidence compliance/non-compliance during the audit process.

- 7.10.2 Sample copies will include documents/records related to:

- SA8000 management system policies and procedures;
- calculation of living wage (LW);
- layout drawing/plan of the organization premises;
- sample of documents/records to support working and rest time, overtime, holidays;
- blank payroll sheet or other evidence on the wage calculation methodology.

- 7.10.3 Photos will include:

- organization building/premises,
- production/operation area;
- dormitory (if any);
- canteen (if any);
- chemical storage area (if any);
- warehouse (if any);
- supporting facilities (e.g. sewage treatment, boiler, generator);
- work in progress;
- location of the displayed SA8000 standard;
- location where IQNet Ltd and SAAS contact details are displayed throughout the organization;
- location of the displayed SA8000 policy;
- evacuation exits;
- fire-fighting equipment;
- use of personnel protective equipment;
- attendance record system;
- evidence of emergency evacuation exercises conducted (e.g. fire drills);
- any non-compliance identified during the site tour (e.g. health and safety);
- any best practice identified during the site tour.

- 7.10.4 Others than identified above, photographs will be kept at a minimum and not include those of proprietary processes or individual workers.
- 7.10.5 For surveillance audits, only sample of the changes to items mentioned under 7.10.2 and 7.10.3 shall be taken.
- 7.10.6 The client organization cannot refuse the permission to take photographs but can review each photograph taken by the audit team before the team leaves the company. Any objection will be documented in the signed IQNet Ltd Code of Conduct and Ethics and in the Audit Report.

7.11 PRE-ASSESSMENTS

- 7.11.1 Pre-assessment audits can be performed at the request of the client, through the Application for Proposal (F002-SA).
- 7.11.2 The pre-assessment will be performed prior to the initial Stage 1 audit and will not replace the Stage 1 audit.
- 7.11.3 The main objectives of the pre-assessment are:
 - evaluate the level of fulfilment of the SA8000 system requirements;
 - planning for subsequent audits;
 - confirm the requested certification scope;
 - define the number of personnel involved in the certification scope (including employees with specified term contracts, associated to possible seasonal situation, trainees etc.);
 - obtain information of all applicable locations/sites;
 - verify the languages spoken by the personnel at the facility, and the proportion speaking each (verification of information given on the application form);
 - verify the need to engage a translator;
 - obtain information about the highest and the lowest salary;
 - receive information on working hours and number of shifts;
 - collect information on number of subcontracted employees;
 - verify, if collective working agreements are in place;
 - collect information on individual work contracts;
 - identify applicable national laws and labour contracts.
- 7.11.4 The conduct of the pre-assessment and the respective date are established by mutual agreement with the organization.
- 7.11.5 The pre-assessment results will be documented in an audit report and will consist in non-binding findings, with no recommended solutions.

7.12 INITIAL AUDIT

- 7.12.1 The SA8000 certification audit is carried in two stages. For both stages, an audit plan and a report in English and, if requested, in the local language will be generated.
- 7.12.2 The client will receive an audit plan prior each audit. The document will include the assigned audit team members and the audit dates.
- 7.12.3 An audit report will be sent to the client after the conclusion of the assessment activities.
- 7.12.4 The ownership of the audit report remains with IQNet Ltd.

7.12.5 Stage 1:

7.12.5.1 In most cases, the stage 1 audit is performed at the client's premises (on-site), with the purpose of evaluating the level of preparation of the organization wanting to proceed towards certification.

7.12.5.2 The objectives of stage 1 audit are:

- to review the accuracy of the information provided by the organization in the application form(s) and SAI Database Profile;
- to review and assess the organization's SA8000 management system documentation;
- to evaluate the organization's location and site-specific conditions and to undertake discussions with the organization's personnel to determine the preparedness for the Stage 2 audit;
- to gain an understanding by the audit team of the organization's social accountability management system and its state of development;
- to gain an understanding by the audit team of the issues pertinent to the client organization;
- to determine the organization's identification, awareness and keeping under control of the local norms, legal and regulatory requirements;
- to review the organization's method of determining the applicable living wage (LW) and the wages paid to workers;
- to agree on the list of documentation that must be made available by the organization for the Stage 2 audit (refer also to Annex 4);
- to obtain the necessary information regarding scope of the management system and certification, including: the structure of the organization, the processes, the levels of control established (particularly in case of multi-site organizations);
- to evaluate if internal audits and management reviews are being planned and performed and that the level of implementation of the management system substantiates that the organization is ready for Stage 2 audit;
- to review the results of any previous social or ethical second or third-party audits, as applicable. A copy of all such reports within the last 3 years should be made available for review by the organization;
- to review the proposed allocation of resources for the Stage 2 audit and agree with the organization on the Stage 2 audit details;
- to perform the SAI Management System Maturity Declaration.

7.12.5.3 An audit report will be developed by IQNet Ltd auditor, documenting the conclusions regarding the level of fulfilment of the Stage 1 audit objectives and the readiness for Stage 2. An annex of such report, including identification of any areas of concern that could be classified as non-conformity in Stage 2, will be left with the organization at the Stage 1 closing meeting.

7.12.5.4 Stage 1 does not generate non-conformities but risks of non-conformity which, if not satisfactorily addressed, may generate non-conformities in Stage 2 audit. Before planning the Stage 2 audit, the organization is required to submit the actions and progress to address the identified risks of non-conformance, for the IQNet Ltd Team Leader review.

7.12.5.5 In determining the interval between the Stage 1 and Stage 2, consideration will be given to the needs of the organization to resolve the areas of concern identified in Stage 1.

7.12.5.6 As a minimum, the interval between the Stage 1 and Stage 2 audit is established to 4 weeks, which is considered as an adequate timeframe for the client organization to review, address and remedy any identified risks of non-conformity. Exceptions to this minimum time frame shall apply, will require IQNet Ltd approval and documented justification (e.g. no risks of non-conformity identified in Stage 1 or client organization provides evidence of effective actions to address the risks of non-conformity which is considered adequate by IQNet Ltd team leader).

7.12.5.7 As a maximum, the interval between the last day of the Stage 1 audit and the first day of the Stage 2 audit will, however, not exceed 6 months. Where the organization requires more time, an additional Stage 1 audit will be conducted.

7.12.5.8 The Stage 1 audit report and the organization plan to address the identified risks of non-conformity shall be uploaded in SAI Database.

7.12.5.9 IQNet Ltd may also need to revise its arrangements for Stage 2. If any significant changes, which would impact the management system occur, IQNet Ltd may consider the need to repeat all or part of Stage 1.

7.12.6 **Stage 2:**

7.12.6.1 The stage 2 audit is performed at the client's premises (on-site), with the purpose of evaluating effectiveness of the SA8000 management system and associated performance elements and includes an assessment of how effectively the management system is deployed throughout the organization, as evidenced by workplace policies, practices and supporting evidence.

7.12.6.2 The entire management system and associated performance elements for SA8000 (all SA8000 clauses) will be assessed at every certification (Stage 2 audit).

7.12.6.3 The objectives of Stage 2 audit are:

- to verify the solution of the Stage 1 areas of concern;
- to review and assess the information and evidence about conformity to all SA8000 requirements and associated performance elements;
- to assess the performance monitoring, measuring, reporting and reviewing against key performance objectives and targets (consistent with the expectations of SA8000);
- to review and assess the organization's management system ability and its performance regarding meeting of applicable statutory, regulatory and contractual requirements;
- to assess the operational control of the organization's processes;
- to assess the internal auditing and management review;
- to assess the management responsibility for the client's policies;
- to perform the SAI Management System Maturity Declaration.

7.12.6.4 The IQNet Ltd Audit Team will analyse all information and audit evidence gathered during Stage 1 and Stage 2 to review the audit findings and agree on the audit conclusions.

7.12.6.5 The audit conclusions/findings will be documented in an Audit Report and in the Non-conformity Reports and will be communicated to the organization. The audit report identifies non-conformities, observations, and improvement opportunities, without recommending solutions.

7.12.6.6 The organization is required to establish and document, in the Non-conformity Reports, the root cause analysis, correction, corrective actions, deadlines for implementation and responsible persons. The answer of the client with the above-mentioned report will be sent to the Lead Auditor within the time set by the audit team.

7.12.6.7 The Lead Auditor will review for adequacy the corrective actions proposed by the organization and inform the organization on acceptance or any additional clarifications/revisions/actions.

7.12.6.8 The Audit Report and any Non-conformity Reports, including the actions defined by the organization, as accepted by the Lead Auditor, will be sent by the Lead Auditor to IQNet Ltd.

7.12.6.9 The Stage 2 audit report and any identified non-conformities, opportunities for improvement and observations shall be uploaded in SAI Database.

7.13 **CLASSIFICATION OF THE FINDINGS**

7.13.1 The audit findings for stage 2, surveillance, follow-up review, re-certification, transfer are classified into:

- non-conformities;
- observations;
- opportunities for improvement.

7.13.2 There are 4 types audit non-conformities that can be raised during an SA8000 audit:

- critical non-conformities;
- major non-conformities;
- minor non-conformities;
- time-bound non-conformities.

7.13.3 **A critical non-conformity** represents a grievous breach of the SA8000 standard that results in severe impact to individual rights, life, safety and/or SA8000, IQNet Ltd, SAAS or SAI reputation. That includes:

- a breach of ethical standards;
- an immediate threat to personnel (and/or audit team) lives;
- grievous and intentional violations of human rights.

7.13.4 Violations observed during an SA8000 audit that, in the opinion of the audit team, require immediate action by the organization client, are known as critical issues, zero tolerances or immediately reportable issues and require the IQNet Ltd audit team to raise a Critical Non-Conformity at the time of observing the violation.

7.13.5 As a general rule, if the critical non-conformity is related to integrity (e.g. attempted bribery, coercion, or threats to the audit team life or safety), it leads to the termination of the (re)certification process or withdrawal of the SA8000 certificate. An organization may re-apply for certification after a period of 12 months from the point at which the client has adequately demonstrated full and effective correction and corrective action that resolves all the issues related to the critical non-conformity.

7.13.6 In case of organizations already certified, the raise of a critical non-conformity will lead to an immediate suspension of the SA8000 certificate.

7.13.7 **A major non-conformity** can be raised for one of the following reasons:

- the absence of, or total breakdown of a system to meet an SA8000 requirement. A number of minor non-conformities against one requirement can represent a total breakdown of the system and thus be considered a major non-conformity;
- a non-conformity that judgement and experience indicate is likely either to result in the failure of the social accountability management system in meeting its goals and expectations or to materially reduce its ability to assure control of its policies and directives in the workplace to protect its workers;
- a minor non-conformity that has not been addressed, or for which no significant improvement has been made by the established deadline, in spite the organization's commitment to resolve the issue;
- a non-conformity that poses an imminent and immediate but not life-threatening threat to the health and safety of personnel.

7.13.8 **A minor non-conformity** is a failure to comply with SA8000 which, based on judgement and experience, is not likely to result in the failure of the social accountability management system or reduce its ability to assure the ongoing viability and effectiveness of policies and procedures to protect its workers' rights. It may be one of the following:

- a failure of oversight in some part of the organization's social accountability management system relative to SA8000 which is not systemic in nature;
- a single observed lapse in following one item of an organization's social accountability management system.

7.13.9 **A time-bound non-conformity** is a particular type of non-conformity that can be raised only as a result of audit evidence and findings that show that the organization meets the law but not the higher requirements of SA8000. Such non-conformity can be raised for the following cases:

- Clause 7 – Working hours, where the organization does not meet the maximum working hours and/or maximum overtime hours per week as prescribed by SA8000 or the country law (whichever is the lesser amount);
- Clause 8 – Remuneration, where the organization pays the personnel the legal minimum wage but not a living wage.

- 7.13.10 **An Opportunity for Improvement** indicates a finding which is not a non-conformity but may lead to a non-conformity if it persists without being corrected. It may indicate also a finding related to the organization's areas/processes, which meet the minimum requirements but might be improved.
- 7.13.11 **An Observation** is a good example or best practice noted by the audit team in relation to the organization's social accountability practices and management system.
- 7.13.12 Failure to comply with the SA8000 Certification Contract or these Rules (e.g. lack of notification in due time of changes in the organization) can lead to a finding, which classification will depend on the impact on the certification scope and management system implementation.
- 7.13.13 All findings will be discussed with the organization to ensure they are understood and that the evidence is accurate. The audit team leader will seek to resolve any diverging opinions between the audit team and the client concerning audit evidence or findings. Unresolved points will be recorded and submitted to IQNet Ltd for decision.

7.14 NON-CONFORMITY MANAGEMENT

- 7.14.1 All non-conformities will be recorded.
- 7.14.2 For each non-conformity issued, the organization is required to submit a corrective action plan consisting of the root cause analysis, proposed correction, and corrective action to solution the identified non-compliance and avoid recurrence.
- 7.14.3 IQNet Ltd reviews the organization response and determines if this is acceptable. Failure of the organization to submit acceptable root cause analysis, correction and corrective action for any non-conformity issued within the established timeframe might lead to the repeat of all or part of the initial audit, upgrade of the findings and/or suspension/withdrawal of the certification for certified organizations. The IQNet Ltd will review for adequacy the corrective actions proposed by the organization and inform the organization on acceptance or any additional clarifications/revisions/actions.
- 7.14.4 The timeframes for the organization response to the non-conformities raised, is presented below, in calendar days from the last day of the on-site audit:

Critical NC		Major NC		Minor NC		Time-Bound NC	
Corrective Action Plan sent to IQNet Ltd within:	Corrective Action implemented within:	Corrective Action Plan sent to IQNet Ltd within:	Corrective Action implemented within:	Corrective Action Plan sent to IQNet Ltd within:	Corrective Action implemented within:	Corrective Action Plan sent to IQNet Ltd within:	Corrective Action implemented within:
5 days	1 month	15 days	3 months	15 days	6 months	TBNC 8 - 15 days TBNC 7 Level 1 – 5 days TBNC7 Level 2 – 5 days TBNC7 Level 3 – 1 month TBNC Level 4 – 2 months	TBNC 8 - 24 months TBNC7 Level 1 – 6 months TBNC7 – Level 2 – 6 months TBNC7 Level 3 – 18 months TBNC Level 4 – 18 months

- 7.14.5 Non-conformities cannot be closed during the audit in which they were issued. IQNet Ltd requires the organization to submit root cause analysis and evidence of correction and systemic corrective action along with evidence of effective implementation for each non-conformity issued.
- 7.14.6 Social accountability management systems will not be certified to SA8000 if any open critical or major non-conformities to SA8000 exist.

- 7.14.7 The organization will determine the root cause and undertake the corrections and corrective actions within a lap of time established by common agreement with IQNet Ltd (see table above).
- 7.14.8 The implementation of the corrective actions for critical and major non-conformities will be normally verified through a special follow-up audit on-site (announced or semi-announced) or, in limited and appropriate cases, through document review (desktop review). The special audit to confirm effectiveness of corrective actions addressing critical non-conformities will take place, generally, within 30 days from the issuance of the non-conformity. The audit to confirm the effectiveness of the corrective actions addressing major non-conformities will take place, generally, within 90 days from issuance of the non-conformity. The costs for the follow-up audits will be paid by the organization.
- 7.14.9 In case of grievous and intentional violations of human rights or immediate threats to personnel lives:
- as the aim of the audit process is to evaluate conformity with the SA8000 standard, efforts will be made by the applicant or certified organization to rapidly bring about the necessary changes to address these violations;
 - if there is a clear determination shown by management and immediate action is taken to remediate the violations, this will be considered as an acceptable correction;
 - new certificates may be issued or suspensions may be lifted (in case of already certified organizations) when the violations or threats to human rights are remedied.
- 7.14.10 In case of certification or recertification audits, if the follow-up audit cannot be carried out until the deadline or the organization has not implemented the adequate corrective actions, a complete stage 2 audit will be repeated.
- 7.14.11 Minor non-conformities may remain open for a specified period, normally not longer than 6 months, to allow sufficient time to close them effectively.
- 7.14.12 Corrective actions not completed within the allocated timing will result in upgrading the non-conformity and/or suspension or loss of the SA8000 certificate, depending on the nature of the lapse of the social accountability management system.

7.15 ANALYSIS OF THE AUDIT REPORT AND OF THE CORRECTIVE ACTIONS REPORT

- 7.15.1 The audit report and the corrective actions report proposed by the client are verified by IQNet Ltd, who will make the decision on the following steps in the certification process.
- 7.15.2 The audit report is valid for a maximum of 8 months from its issue date. After this period, decisions concerning the certification based upon that audit cannot be made, and therefore a new audit is required in case the process is to be continued.

7.16 CERTIFICATION DECISION

- 7.16.1 IQNet Ltd certification decision is made based on the evaluation of the audit findings and conclusions and any other relevant information (e.g. public information, other situations revealed by stakeholders, comments on the audit report by the client).
- 7.16.2 The recommendation made by the audit team in the audit report is not binding on IQNet Ltd and the decision to issue the SA8000 certificate is at the sole discretion of IQNet Ltd Head-office.
- 7.16.3 The certification decision is made by the IQNet Ltd certification committee, after all critical and major nonconformities are closed. Minor nonconformities may remain open, and the SA8000 certification may be granted irrespectively, provided that the planned correction and corrective action plan has been reviewed and accepted. The certification committee may request additional actions from the client in case there are still open points. This decision will be communicated in writing to the client, within two

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months after receipt of the corrective action response by IQNet Ltd, except in cases which are duly justified.

7.16.4 The certification decision can be of:

- **granting** the certification;
- **delay** – where additional information is required;
- **conditioned granting** of certification – the client is informed on the grounds for the conditioned granting of certification and the terms and deadlines for restoring the complete fulfilment of the certification requirements. At the set deadline, the Certification Authority reviews the evidence provided and make the decision for maintaining the certification (with no conditions) or initiating the suspension procedure.
- **not granting** the certification – the client is informed on the grounds for not granting the certification and the right to appeal such decision.

8. SA8000 CERTIFICATE OF CONFORMITY

8.1 Each SA8000 certificate is assigned with a unique identification number and valid for a maximum of 3 (three) years, from the date the certification decision is made by IQNet Ltd. Its validity and scope may be verified in the online IQNet Ltd database of certified organizations at <https://www.iqnet-ltd.com>.

8.2 IQNet Ltd SA8000 certificate contains the following:

- the unique certificate number;
- the name and address of each certified organization (or the address of the headquarters and any sites within the scope of a multi-site certification);
- the scope including all the activities for related products and services;
- the edition of the SA8000 standard to which the certification applies;
- the date of issue/extension/renewal/revision and the expiry date of the certificate;
- the IQNet Ltd SA8000 certification mark and SAAS SA8000 accreditation mark;
- any other information required by the accreditation body SAAS.

8.3 The SA8000 certificate can never guarantee the fulfilment of the applicable legal requirements.

8.4 The holder of an IQNet Ltd SA8000 certificate may use this for all business purposes, in particular for tenders, order confirmations and agreements with clients.

8.5 In cases where a subcontractor is used by the certified organization to deliver parts of its activities, the certificate scope statement will clearly specify that some processes are delivered by subcontractors and those parts are excluded from the scope.

9. SA8000 CERTIFICATION MARKS

9.1 Together with the certificate, the certified client receives the right to use the SA8000 certification mark of IQNet Ltd. The ownership of the IQNet Ltd mark remains with IQNet Ltd. This mark may be combined with the SAAS SA8000 accreditation mark and may only be used:

- with the name of the certified company;
- with reference to applicable standard;
- within the validity period of the certificate;
- within the certified scope/area;
- by the certified organization (the legal first owner);
- without any changes;

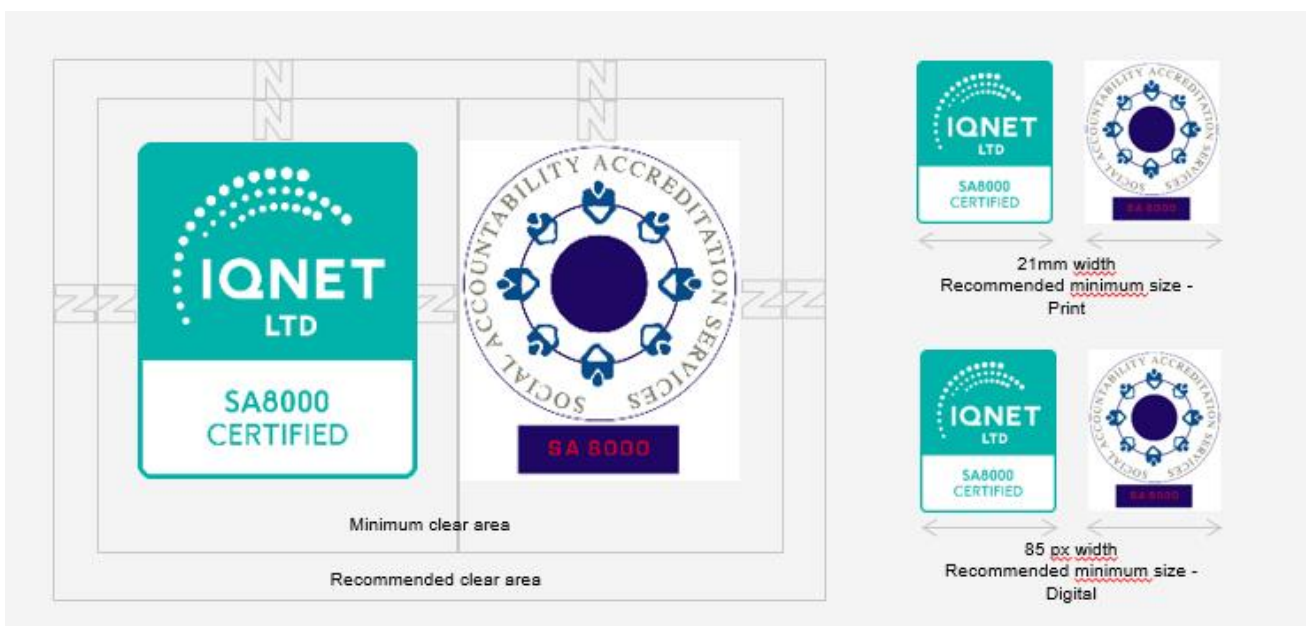
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- in colours as specified by IQNet Ltd and by SAAS, enlarging or reducing is allowed (but in a size which makes all the features of the mark clearly distinguishable);
- on a clearly contrasting background;
- on documents, signs, advertising media;
- in general company documents with a clear description of the certificate coverage/scope;
- not on products, their labelling or packaging, laboratory test, calibration or inspection reports or in such a way as to suggest that IQNet Ltd or SAAS have certified or approved any product, process or service of a certified facility, or in any other misleading manner.

9.2 The SAAS SA8000 accreditation mark must always be used in connection with the SA8000 certification mark of IQNet. When using the SAAS SA8000 accreditation mark, its size must be of a similar size to the IQNet Ltd SA8000 certification mark. The ownership of SAAS mark remains with SAAS.

9.3 The certified organization may use its logo in association with the SA8000 certification mark but will not use such mark with the logos, emblems or brands of any other organization.

9.4 The following marks will be used:



9.5 An electronic file of the SA8000 certification mark and SAAS accreditation mark and the instructions for use shall be made available by IQNet Ltd upon certificate issue.

10. MAINTENANCE OF SA8000 CERTIFICATION

10.1 The SA8000 certificate is valid for a maximum of 3 years from the issuing date, provided that the management system is maintained implemented and effective. This will be demonstrated during the surveillance audits and related follow-up reviews. Before the certificate expiry, a recertification audit will be carried out (and a related follow-up review) and a new certification cycle will begin once the certification decision is made.

10.2 SURVEILLANCE AUDITS

10.2.1 The sequence of the audit activities for a 3 year cycle (with the related surveillance and follow-up frequency) is described in Annexes 2 and 3.

10.2.2 During the validity of the SA8000 certificate, IQNet Ltd will conduct surveillance audits and follow-up reviews following relevant procedures. The frequency of the surveillance audits is determined starting from the date the certification is granted and it is presented in Annex 3.

10.2.3 For single site organizations annual semi-announced surveillance audits complemented by follow-up reviews will be conducted during every 3-years certification cycle, as presented in Annex 3.

10.2.4 A semi-announced audit is an on-site surveillance audit that is delivered on any day(s) during a pre-advised 8-weeks window. The SA8000 certified client shall be advised at least 8 weeks before the first day of the 8-weeks window of the exact start and end of the 8-weeks window. Without informing on the exact dates, the audit team shall present itself at the company premises to perform the audit on a date within that window.

10.2.5 For multi-site organizations semi-annual announced surveillance audits will be conducted during every 3-years certification cycle, as presented in Annex 3.

10.2.6 If requested, the IQNet Ltd Certification Authority can decide to anticipate a surveillance audit.

10.2.7 The intervals of the surveillance audits are defined by IQNet Ltd (see Annex 3) and the effective dates will be established in agreement with the Lead Auditor, within the specified interval, except for semi-announced audits where only the time window is established.

10.2.8 Delays in surveillance audit and follow-up scheduling are not allowed and shall result in the suspension of the SA8000 certificate until the pending activity is conducted. Delays due to force majeure such as an earthquake, flood, fire, epidemic, lack of activities, shall be resulting in the immediate suspension of the certificate.

10.2.9 At least one surveillance audit per year will be scheduled to include an assessment of the organization during the high or peak season.

10.2.10 Before the time-window of any surveillance audit, the organization needs to verify and update, as necessary, its information in SAI Database profile.

10.2.11 Each on-site surveillance audit will include an audit of:

- management system elements: management review, internal audits and corrective actions;
- effectiveness of the Social Performance Team (SPT) work;
- verification of any changes impacting the organization SA8000 management system;
- verification of any changes in the organizational structure, including location and activities;
- verification of any changes in the number of personnel;
- any update in the organization's SA8000 management system documentation;
- any complaints received and organization response, including the effectiveness of the organization's complaint mechanism;

- personnel training and personnel awareness and understanding of the SA8000 management system and its impact on individuals;
- effectiveness of the corrective and preventive actions taken as a result of any non-conformities and opportunities for improvement raised during the previous IQNet Ltd SA8000 audit (including the findings from the follow-up reviews);
- progress made in relation to any time-bound non-conformities previously issued;
- effectiveness of the health and safety system in place, including health and safety risk assessment, training and instruction, emergency evacuation planning and exercising, number of incidents since the previous audit and analysis of any fatalities, any serious accidents and any potentially hazardous events including fires, spills of toxic chemicals, explosions;
- worker representative(s) activities since the previous audit;
- analysis of working hours and remuneration (including during high season, if any) since the previous audit;
- comparison between IQNet Ltd calculated current living wage (basic needs wage) and the calculation performed by the organization;
- display of SA8000 standard in prominent location, in all premises (including field offices);
- the use of the SA8000 certified status, IQNet Ltd SA8000 certificate and certification mark and SAAS accreditation mark.

10.2.12 Besides, the above-mentioned, each surveillance audit will include additional SA8000 elements in order to ensure the examination of all elements within each three-years cycle.

10.2.13 During the certification cycle, meetings with interested parties can be considered and planned in order to acquire in advance information on the most common types of issues in the area of operation.

10.3 FOLLOW-UP REVIEWS

10.3.1 A follow-up review represents the activity performed between on-site audits in order to monitor the ongoing commitment and performance of a certified organization. While a follow-up review will be in most cases conducted via remote electronic communication with the certified organization's representative, over a minimum of 2 hours, if review of evidence demands it, it may be also conducted on-site over a longer period (than the standard 2 hours).

10.3.2 The follow-up review takes place approximately at 6 months after the surveillance/recertification audit (refer to Annex 3 for exact timeframes).

10.3.3 The follow-up review shall be conducted by a qualified Lead Auditor (typically the Team Leader leading the previous audit) and shall comprise a appropriate verbal and other electronic interaction to review evidence with the organization's representative.

10.3.4 The follow-up review shall include:

- review of the organization's operations and confirmation of continued appropriateness and accuracy of the SA8000 certified scope;
- confirmation of the number of employees and/or changes to personnel;
- progress/closure of previously raised non-conformities;
- progress made towards required time-bound non-conformities;
- the organization's commitment to health and safety, including satisfactory results and records of the organization's ongoing health and safety risk assessments and corrective and preventive actions taken (SA8000 requirement 3.5);
- the organization's commitment to its internal monitoring, complaint management and improvement processes (SA8000 requirements 9.4, 9.6 and 9.8).

10.3.5 If the follow-up review identifies weaknesses against the performance of the organization to SA8000 requirements 3.5, 9.4, 9.6 and 9.8, then the reviewing auditor shall raise a non-conformity citing "inadequate demonstration of commitment to management systems principles within the organization's SA8000 policy (SA8000 requirement 9.1.2)" and further details/evidence of the finding as follows:

- in the case of minor, isolated (non-systemic) failure to demonstrate commitment, a MINOR non-conformity shall be raised. Further actions shall be reviewed during the next surveillance audit visit.
- in the case of broad, or systemic lack of commitment, a major non-conformity shall be raised. A special audit shall be conducted within 8 weeks to review responses and further actions undertaken (potentially leading to a recommendation for suspension of certification).

10.4 ANALYSIS OF THE SURVEILLANCE AUDIT AND FOLLOW-UP REPORT AND OF THE CORRECTIVE ACTIONS REPORT

- 10.4.1 The audit/follow-up report and the corrective actions proposed by the client are verified by IQNet Ltd, who will make the decision on the following steps in the certification process.
- 10.4.2 The audit/follow-up report is valid for six months maximum, counted from its issue date. After this period, decisions concerning the certification based upon that audit cannot be made, and therefore a new audit is required in case the process is to be continued.
- 10.4.3 The ownership of the audit report remains with IQNet Ltd.

10.5 DECISION OF MAINTAINING THE CERTIFICATE

- 10.5.1 The audit/follow-up report and the corrective actions report, including the organization's response, are submitted to the IQNet Ltd Certification Authority, who makes a decision concerning the maintenance of the certification.
- 10.5.2 If, during the surveillance audits, critical or major non-conformities are identified, they will be addressed as per paragraph 7.14 of these Certification Rules. In such cases, the Certification Authority can decide taking into account the following situations:
- temporary suspension of the SA8000 certificate until confirmation of successful implementation of adequate and effective corrections and corrective actions. This will be verified by the means of a special follow-up audit. The costs related to the follow-up audit will be borne by the organization;
 - maintenance of the SA8000 certificate, in very limited cases, as judged appropriate by IQNet Ltd Certification Authority;
 - maintenance of the SA8000 certificate, in very limited cases, as judged appropriate by IQNet Ltd Certification Authority: with some risk mitigation measures;
 - withdrawal of the SA8000 certificate.

11. RENEWAL OF THE SA8000 CERTIFICATE

11.1 RE-CERTIFICATION AUDITS

- 11.1.1 The purpose of the recertification audit is to confirm the continued conformity and effectiveness of the organization's SA8000 management system, and its continued relevance and applicability for the scope of the certification.
- 11.1.2 Re-certification audit of the SA8000 certificate will be carried out before the validity of the certificate ends. The time interval between the initial certification and recertification or between two recertification audits cannot exceed three years from the issue of the certificate.
- 11.1.3 The re-certification audit will re-assess the effectiveness of the policies and actions defined in the social accountability management system and the overall effectiveness of the management system in its entirety, taking into consideration internal and external changes which may have affected the social management system.

- 11.1.4 The recertification audit covers all the standard requirements and includes the document review as well as the review of the previous surveillance audit reports. The entire management system and associated performance elements for SA8000 (all SA8000 clauses) will be assessed at every certification (Stage 2 audit).
- 11.1.5 The re-certification audits will include an on-site audit and is carried out similar to Stage 2 of the initial audit. The re-certification audit may have a stage 1 audit in the situations where there have been significant changes to the management system (e.g. changes in the organizational structure, relocation, addition or deletion of locations, addition of business processes, significant changes in shifts and number of personnel) or the context in which the management system is operating (e.g. changes in legislation).
- 11.1.6 The recertification audit should be performed at least 6 months before the expiry of the current certificate.
- 11.1.7 For any critical and/or major non-conformity, IQNet Ltd audit team will define time limits for the root cause analysis, correction and corrective action. These actions will be implemented and verified prior to the expiration of the certification.
- 11.1.8 If the recertification audit was not completed before the expiration of the certificate or IQNet Ltd is unable to verify the implementation of corrections and corrective actions for any critical and/or major non-conformity prior to the expiry date of the certification, then the recertification will not be recommended, and the validity of the certificate will not be expanded.
- 11.1.9 Where critical and/or major non-conformities prior the expiration of the certificate, IQNet Ltd can restore certification within 6 months, provided that the outstanding recertification activities are completed, otherwise at least a Stage 2 audit will be conducted.
- 11.1.10 Where, the recertification audit was not conducted, within the required timeframes, before the elapse of the certificate validity, provided the organization intends to resume certification, an initial audit, including stage 1 and stage 2, will be conducted.

11.2 RE-CERTIFICATION FOLLOW-UP REVIEW

- 11.2.1 A recertification follow-up review shall be conducted after the conduct of the recertification audit and before the recertification decision being made and the certificate being issued.
- 11.2.2 The recertification follow-up review shall be conducted as described in par. 10.3 above.
- 11.2.3 Additionally, the review activities shall confirm that all required conditions for recertification have been met. This review shall clearly document the following (in addition to the above):
 - reconfirmation of the SA8000 certification scope;
 - reconfirmation of the number of personnel;
 - reconfirmation of the certificate details;
 - confirmation that any previously raised critical or major non-conformities have been adequately addressed and closed;
 - recommendation/non-recommendation for continued certification to SA8000 (subject to which re-certification may be granted or denied by the Certification Authority).
- 11.2.4 The recertification follow-up review may be on-site or off-site as presented in Annex 2.
- 11.2.5 Where, during the off-site recertification follow-up review, significant changes impacting the certified management system scope are identified, an additional on-site follow-up may be required in order to confirm the certification scope and the continued suitability of the SA8000 management system. The duration of such an audit will depend on the extent of the changes, with a minimum of 0.5 auditor-days.

11.3 ANALYSIS OF THE RE-CERTIFICATION AND FOLLOW-UP REPORT AND CORRECTIVE ACTIONS REPORT

- 11.3.1 The audit report, follow-up report and the corrective actions report proposed by the client are verified by IQNet Ltd, who will make the decision on the following steps in the certification process.
- 11.3.2 The audit report is valid for a maximum of 6 months from its issue date. After this period, decisions concerning the certification based upon that audit cannot be made, and therefore a new audit is required in case the process is to be continued.
- 11.3.3 The ownership of the audit report remains with IQNet Ltd.

11.4 DECISION ON THE RENEWAL OF THE SA8000 CERTIFICATE

- 11.4.1 The audit report and the corrective actions report are submitted to the certification committee, who makes a decision concerning the re-certification of the client, as described in section 7.16 of these Certification Rules.
- 11.4.2 The renewal of the SA8000 certificate is valid for a maximum, consecutive period of 3 years. During this period, the system of the certified organization will be submitted to the surveillance activities described in section 10 of these certification rules.
- 11.4.3 The effective date on the certificate will be the date when the recertification decision is made and the expiry date will be based on the prior cycle.

12. SPECIAL AUDITS

12.1 EXPANDING THE CERTIFICATION SCOPE

- 12.1.1 IQNet Ltd considers all requests regarding enlargement of the certification scope (e.g. new sites or new activities/business processes added to the certification scope) as an extension of the SA8000 certification.
- 12.1.2 Further to the written notification in this regard received from the client, IQNet Ltd will decide whether:
 - the changes do not substantially affect the certification terms and they will be verified during the next scheduled audit with a related increase in the audit duration;
 - the changes affect the certification terms and a special audit is required;
 - the changes lead to the conduct of an initial audit.
- 12.1.3 IQNet Ltd will issue a new financial proposal to the organization.
- 12.1.4 The costs of any special audit will be paid by the certified organization.

12.2 SHORT-NOTICE AUDITS

- 12.2.1 If necessary, additional special audits (announced or semi-announced) can be carried out. The reason for such audits can be:
 - significant changes in the organization of the certified client, restructure, changes of human resources and equipment;
 - as a follow-up on suspended organization;

- as the result of issues raised during a desktop follow-up review;
- complaints and serious stakeholder concerns, confirmed event or information received from stakeholders or other sources, to investigate possible bribery situations;
- as part of a calibration/duplicate audit process or market surveillance visit.

12.2.2 In these cases, the costs of the additional audit will be paid by the certified organization, except for the last bullet above.

13. TRANSFER OF CERTIFICATES

- 13.1 Any organization with an SA8000 management system certified by another SAAS accredited certification body, seeking to change the existing certification body with IQNet Ltd will be treated in compliance with the applicable IQNet Ltd procedure.
- 13.2 Only certifications which are covered by the appropriate SAAS accreditation will be eligible for transfer. Organizations holding certifications that are not covered by such accreditation will be treated as uncertified clients (applicants). The only exception will be the organizations certified by applicant CBs undergoing the accreditation process with SAAS.
- 13.3 For transfer during or at the end of the certification cycle, the steps detailed below will be followed in sequence, before any transfer can occur:
- IQNet Ltd will be accredited by SAAS for the country of the organization applying for transfer;
 - the organization will provide a copy of, at minimum, the last 2 audit reports issued by the previous CB for review. Such audit reports may be requested by IQNet Ltd to the previous CB (directly or through the assistance of SAAS). If these reports are not available, the transfer cannot take place.
 - the current SA8000 certificate will be valid, with no open critical or major non-conformities.
 - if open major or critical major non-conformities exist, the transfer cannot take place until a Stage 1 and Stage 2 audits are conducted and a positive certification decision is reached.
 - if the certificate is suspended by the current CB, the transfer may not take place until a Stage 1 and Stage 2 audits are conducted and a positive certification decision is reached.
 - any open minor non-conformities from previous audits will be addressed by a corrective action plan.
- 13.4 IQNet Ltd will formally notify SAAS (and have received an affirmative reply in writing) on the transfer activity, upon scheduling and prior to the on-site audit, so SAAS may provide input on any known issues or outstanding complaints and/or concerns about the client.
- 13.5 The organization applying for transfer of accredited SA8000 certification to IQNet Ltd will fill in the application form F002-SA and the additional for F007-SA Informative Questionnaire for Preparing the SA8000:2014 Audit.
- 13.6 IQNet Ltd Certification Authority will carry out a review of the certification of the prospective client. This review will include the following:
- the application form F002-SA, the related F007-SA Informative Questionnaire for Preparing the SA8000:2014 Audit;
 - the existing SA8000 certificate;
 - at minimum, the 2 of the most recent audit reports;
 - basic document review and a review of key indicators of the social accountability management system performance;
 - any complaints received and actions taken, within the scope of the SA8000 certification.
- 13.7 Where the organization is eligible for transfer, IQNet Ltd will conduct a transfer audit equivalent to a recertification audit. The audit will take place within the validity period of the current certificate. The Management System Maturity Declaration will be conducted as per the certification requirements.

- 13.8 Upon the successful completion of the transfer audit, IQNet Ltd will issue an SA8000 certificate to the client with a maximum of 3 years validity. A new certification cycle will commence with the issuance of the IQNet Ltd SA8000 certificate.
- 13.9 If an organization is not eligible for transfer of accredited SA8000 certification, it will be considered as a new client and an initial Stage 1 and Stage 2 certification will be conducted.
- 13.10 Where an IQNet Ltd SA8000 certified clients informs the intention to transfer to another SAAS accredited CB, IQNet Ltd is bound, that upon the request of the transferring CB, to provide copies of the last 2 audit report along with any concerns that they may have about the organization's ability to meet the requirements of SA8000 in a consistent manner.

14. ZERO TOLERANCE PROTOCOL AND AUDIT DISRUPTIONS

- 14.1 Zero tolerance situations are represented by violations observed during an SA8000 audit that, in the opinion of IQNet Ltd audit team, require immediate action by the organization, such as:
- flagrant human rights violations;
 - flagrant unethical behaviour that compromises the integrity of the SA8000 audit;
 - found at the organization premises, any temporary sites, as well as at the employer-provided housing that are covered by the audit.
- 14.2 The IQNet Ltd audit team will raise a critical or major non-conformity at the time of observing the violation. Depending on the seriousness of the situation, the IQNet Ltd audit team have the authority to terminate the audit or immediately contact IQNet Ltd Headoffice or local Representative in order to seek guidance whether the audit should be terminated.
- 14.3 Typical Zero tolerance issues include:
- 14.3.1 Child labour:
- workers who are classified as children as per SA8000 definition;
 - workers younger than 18 who are subjected to the worst forms of child labour (forced labour, prostitution, pornography and illegal activities).
- 14.3.2 Forced labour and inhumane treatment:
- not allowing workers to leave the workplace against their will, including when they are forced to work overtime against their will;
 - use of violence or the threat of violence to intimidate workers to force them to work;
 - inhumane or degrading treatment, corporal punishment (including sexual violence), mental or physical coercion and/or verbal abuse.
- 14.3.3 Occupational Health and Safety:
- occupational health and safety violations that pose an imminent and significant threat to personnel's and/or audit team's health, safety and/or lives.
- 14.3.4 Unethical behaviour:
- attempted bribery of auditors;
 - any intimidating, coercive and threatening behaviour in relation to the audit team.
- 14.4 To be considered zero tolerance, all these issues must be:
- flagrant at the time of the audit;
 - factual and proven.

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- 14.5 Audit disruptions are issues that can occur during an audit, such as: lack of proper or adequate system implementations, unavailability of relevant personnel, documents or records, audit objectives are unattainable, power outage, fire, serious accident, health and safety issues, denied access to any part of the premises, denied access to records, denied access during an unannounced audit, and other such matters.
- 14.6 In such cases, the IQNet Ltd audit team has the authority to decide to terminate the audit.
- 14.7 In such cases:
- the IQNet Ltd audit team will inform the Organization on the situations occurred which do not allow the audit to continue;
 - the IQNet Ltd audit team will inform IQNet Ltd Headoffice (directly or through the IQNet Ltd Representative) as soon as possible;
 - the certificate will be suspended;
 - the team leader will issue an audit report covering the activities performed until the audit was terminated and providing the reasons for which the audit had to be terminated and the number of audit days conducted until the audit termination;
 - the IQNet Ltd audit team will inform the Organization (including the information in the Audit Report as well) that in such situation the audit will need to be re-conducted, involving also changes in the contract arrangements with the Organization.
 - a Stage 1 initial audit can be reclassified as pre-assessment;
 - a Stage 2 audit will need to be repeated from the very beginning, if the applicant continues to seek certification;
 - other types of audits can be stopped and postponed to a later date.
- 14.8 If the IQNet Ltd audit team is not permitted access to any of the permanent sites (or areas) to be covered by the audit in a way that impacts the audit process, a critical non-conformity shall be raised and the organization's certificate shall be suspended.
- 14.9 All disruptions and/or disturbances during an audit shall be documented and records kept in the client file.
- 14.10 In case the audit team feels an immediate threat to its life, safety or experiences any intimidating, coercive and threatening behaviour, the audit team members have the authority:
- to immediately terminate the audit and subtract themselves from such a situation;
 - finish the audit without raising the findings which are generating such a behaviour.

15. NOTICE OF CHANGES

15.1 NOTICE OF CHANGES BY IQNet Ltd

- 15.1.1 Where important changes in the certification rules, the reference standard and/or requirements of the accreditation body are anticipated, IQNet Ltd will:
- notify the affected organizations;
 - specify the date when the changes will enter into force, granting a reasonable period of time for compliance.
- 15.1.2 The organization is bound to comply with the current version of the certification rules.
- 15.1.3 The organization (if already certified or undergoing certification) is entitled to waive the certification should it consider that it cannot comply with the new requirements. Such a decision should be notified in writing and sent to IQNet Ltd with at least 30 days before the deadline for compliance.

15.2 NOTICE OF CHANGES BY THE ORGANIZATION

15.2.1 The certified organization accepts to inform IQNet Ltd without delay on all changes relating to:

- legal, commercial, organizational status or ownership;
- organization and management (e.g. key managerial, decision-making or SA8000 functions);
- contact address and sites;
- scope of operations under the certified management system;
- major changes to the management system and process;
- significant changes in the number of employees.

15.2.2 Such changes may lead to changes in the audit program, as described in any revised versions of the Proposal for SA8000 Certification (F006-SA).

15.2.3 In order to maintain SA8000 certification, the organization will accept the amended audit program.

15.2.4 Whenever justified, these changes may lead to a special audit, in which at least the verification of the usage of the SA8000 Certificate and certification mark will be audited, as well as the functions, which are considered as being mandatory for the SA8000 Standard: "Child Labour", "Forced Labour", "Health and Safety", "Freedom of Association & Right to Collective Bargaining", "Discrimination", "Disciplinary Practices", "Working Hours", "Remuneration", "Management Systems".

16. WAIVING OF CERTIFICATION, SUSPENSION OR WITHDRAWAL OF CERTIFICATION

16.1 A certified organization may waive at any time the certification by the means of an official notification sent to IQNet Ltd, directly or through the IQNet Ltd Representative, with at least 3 months prior notice. IQNet Ltd Representative is authorized to invoice the organization for all the activities carried out before this takes effect.

16.2 The non-fulfilment of the requirements established by Certification Contract and Certification Rules can lead to the application of the following:

16.3 WARNING

16.3.1 This is a strong request to the client, in case IQNet Ltd detects the client does not respect its obligations set in the Certification Contract and Certification Rules or in case of non-conformities, which are unresolved or not responded. The client is requested to address the issues in a defined timeframe.

16.4 TEMPORARY SUSPENSION OF THE SA8000 CERTIFICATE

16.4.1 Certification will be suspended in cases where, for example,

- the organization's certified management system has persistently or seriously failed to meet the certification requirements, including the requirements for the effectiveness of the management system (e.g. major non-conformities or minor non-conformities which cumulated may lead to a major non-conformity, identified by the audit team during the scheduled surveillance audits);
- a critical non-conformity identified upon a regular surveillance audit, a special audit or as a result of a confirmed event or information provided by a stakeholder;
- the certified organization has failed to meet the terms and deadlines established for restoring the complete fulfilment of the certification requirements in the case of conditioned granting of certification;

- the certified organization fails to provide to IQNet Ltd information regarding significant changes which might influence the effectiveness of the certified management system or breaches the certification contract terms;
- the certified organization does not allow surveillance audits and follow-up reviews to be conducted with the requested frequency or when planned/agreed (including where, for announced audits, the client requests a postponement of more than 1 month or, in exceptional circumstances, 2 months);
- the certified organization does not settle all its due payments, under the certification contract;
- the certified organization has voluntarily requested a suspension. In this case the organization will communicate its decision to IQNet Ltd in writing.

16.4.2 The IQNet Ltd suspension decision is communicated to the organization in writing. The suspension letter includes the suspension grounds, the terms and deadlines upon which suspension will be lifted as well and the conditions which may lead to certification withdrawal. In order to lift the suspension, IQNet Ltd may request a special audit to be conducted in order to verify the implementation of the requested actions.

16.4.3 In case of suspension, the SA8000 certification is temporarily invalid, and the organization is obliged to:

- not claim to be IQNet Ltd SA8000 certified;
- not use, display or promote the IQNet Ltd SA8000 certification mark, the IQNet Ltd SA8000 certificate and the SAAS SA8000 accreditation mark.

16.4.4 In case of suspension of the SA8000 certification, IQNet Ltd will act as follows:

- remove the organization from its database of registered organizations;
- notify the accreditation body SAAS.

16.4.5 By the established deadline, once the requested terms have been fulfilled, IQNet Ltd reviews the necessary evidence and decides on the lifting of suspension or withdrawal of certification. The decision is communicated to the organization in writing.

16.4.6 The maximum suspension period is of 6 months.

16.4.7 After this period, if the conditions that caused this situation have not been changed, the SA8000 certification is withdrawn, except in cases duly justified.

16.5 WITHDRAWAL OF THE SA8000 CERTIFICATE

16.5.1 IQNet Ltd will withdraw the certification in the following cases:

- the certified client has failed to satisfactorily resolve the issues that resulted in the suspension, within the timeframe established by IQNet Ltd.
- the certified client has committed grievous breaches to the SA8000 system, with a severe impact on individual rights, life, safety (including that of IQNet Ltd personnel), and/or which seriously endanger SA8000, IQNet Ltd, SAAS or SAI reputation.
- the certified client has voluntarily requested the termination of the contract.

16.5.2 The decision is communicated to the organization in writing. The organization has the right to appeal against IQNet Ltd decision as described in section 18 of these rules.

16.5.3 In case of withdrawal of the SA8000 certification, the organization is obliged to:

- return the original SA8000 certificate and possible existing authenticated copies to IQNet Ltd;
- resign from using possible copies or reproductions of the SA8000 certificate;
- withdraw from its technical documentation any reference to the SA8000 certification, or to take off the SA8000 certification marks granted by IQNet Ltd.

16.5.4 In case of withdrawal of the SA8000 certification, IQNet Ltd will act as follows:

- withdrawal of the correspondent certificate;
- remove the organization from its database of registered organizations;
- notify SAI and the accreditation body SAAS through the updated of status in SAI Database.

16.5.5 The temporary suspension or the withdrawal of the SA8000 certificate does not give any right of reimbursement to the client. Regarding the ongoing contracts, the client is bound to settle all due payment by the moment of withdrawal.

16.5.6 In case of multi-site certification, the certification is suspended/withdrawn for the whole group.

17. CHANGES TO CERTIFICATES

17.1 The decision on the changes to an existing valid certificate for the following situations is made by IQNet Ltd:

- the client request or notification by the IQNet Ltd audit team regarding the change in location(s), changes in the name/legal status of the certified organization, re-wording the certification scope, etc.
- the results of a surveillance audit regarding the reduction of the certification scope, change in location(s), etc.

17.2 IQNet Ltd reviews the request and/or the existing audit evidence and decides whether additional information is needed or an expansion of scope is required (see also 12.1). IQNet Ltd may establish the need of an additional audit in order to make a decision.

18. COMPLAINTS AND APPEALS

18.1 Complaints addressed by the client to IQNet Ltd for its certification performance or decisions will be handled according to IQNet Ltd relevant procedure. A description of the complaints and appeals process is publicly available on IQNet Ltd Website.

18.2 If IQNet Ltd receives a complaint regarding one of its SA8000 certified clients, IQNet Ltd will contact the client in an appropriate way, in order to find out the nature and causes of the complaint, ensuring that the complaint is handled and solved within a reasonable time and safeguarding the confidentiality of the complainant.

18.3 IQNet Ltd has the right to carry out a special or even an unannounced audit, if the nature of the complaint justifies such a step.

18.4 In case of complaints related to the operation of the social accountability management system, the organization's management has the right to submit a written response to the allegations and to have this included in the complaint file of IQNet Ltd.

18.5 An organization may appeal against an IQNet Ltd decision, stating its grounds for disagreement, within 30 days from the notification of the decision.

18.6 The appeal is reviewed by IQNet Ltd within 2 months from its submission.

18.7 The decision to be communicated to the organization lodging the appeal will be made by individuals different from those who conducted the audits or made the certification decision. The organization lodging the appeal is also given the opportunity to provide additional evidence to support the appeal.

18.8 The decision is communicated to the appellant by written correspondence, directly or via the IQNet Ltd Representative.

19. IMPARTIALITY, CONFIDENTIALITY AND PROPERTY

- 19.1 The client recognizes the independence of the audit team and commits itself not to make any offers and/or inducements that could compromise that independence, such as asking for consulting services.
- 19.2 During the audit activities, the audit team will verify the level of conformity of the implemented system with the requirements of the SA8000 standard. The client will agree to supply any documents, which can be requested within the audit scope, and to allow the access of the audit team to the places included in the audit scope (including taking photos and sampled documents of the audited site), as well as the contact of all correspondent personnel, without management participation.
- 19.3 All documents supplied by IQNet Ltd or by the auditors assigned by IQNet Ltd (e.g. audit reports), will remain in the property of IQNet Ltd, and cannot be supplied to third parties, except the for SAI and SAAS; neither may be used for other purposes besides the agreed audits and certification activities. SA8000 audit reports will be uploaded in SAI Database, where they can be accessed by the organization. All reports will be kept confidential, according to the agreement between SAI and SAAS and IQNet Ltd.
- 19.4 IQNet Ltd and IQNet Ltd Representative ensure the maintenance of confidentiality during the certification process. Confidential information does not include any information which: is or hereafter becomes publicly available, was available prior to the time of its disclosure by the organization or was disclosed by an independent third-party with the right to make such a disclosure.
- 19.5 Information, data and documents received from the client and its personnel are used for the purpose of certification activities as mentioned in the certification contract and certification rules only.
- 19.6 When processing personal data in relation to the SA8000 certification contract, each contractual party is obliged to comply with the relevant personal data protection legislation, including the provisions of the EU Regulation 2016/679 (GDPR) where applicable, the related legal requirements and the decisions that the surveillance authority may implement in connection with these aspects. Within the scope of the certification contract, parties disclose to each other personal data concerning employees, collaborators and/or representatives with assigned responsibilities in the implementation of the certification contract. Where the law requires, each party disclosing information regarding its employees, collaborators and/or representatives shall ensure it has taken the necessary measures concerning the information, processing, preservation or removal of their personal data provided within the scope of the certification contract, as required by the applicable legislation.
- 19.7 IQNet Ltd and IQNet Ltd Representative shall maintain confidential the personal data provided by the organization and shall utilize such data solely for the purpose of the conformity assessment activities, as well as to provide information and communications on related activities (such update in the reference documents, trainings, workshops). In certain cases, where required by the certification program, such personal data must be communicated to third parties such as the accreditation body (SAAS), the scheme owner (SAI), other certification bodies (in case of transfers), or as required by a legal body.
- 19.8 IQNet Ltd reserves itself the right to show its files to its committees and internal auditors, the accreditation auditors and to auditors of other certification entities, with whom it has or want to have agreements of mutual recognition, with the purpose to demonstrate evidence of the standards applicable to its certification activities.

20. PUBLICATION OF CERTIFIED CLIENTS

- 20.1 IQNet Ltd publishes the list of certified SA8000 organizations on its website, and SAI publishes the same data in its database (including organization name, certificate number, date of certification and date of certificate expiration, country, address of head office and sites, scope of certification).

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- 20.2 Organizations with suspended or withdrawn SA8000 certificates are removed or shown with this status in these databases.
- 20.3 Where the law requires information to be disclosed to a third party, the client will be informed of the information provided, as permitted by the law.
- 20.4 Upon request by any party, IQNet Ltd will make the suspended/withdrawn status of certification publicly accessible.

21. ABUSE OF THE SA8000 CERTIFICATE, CERTIFICATION MARK OR ACCREDITATION MARK

- 21.1 The abuse of the SA8000 certificate, IQNet Ltd SA8000 certification mark or the SAAS accreditation mark by the certified client or by third parties gives IQNet Ltd the right to take appropriate legal actions, in order to protect its own interests.

22. LIMITATION OF RESPONSIBILITIES AND LIABILITIES

- 22.1 IQNet Ltd (including the IQNet Ltd Representative) is not responsible before third parties for any personal, material, or financial damage, resulting directly or indirectly from the activity of the certified SA8000 client of IQNet Ltd.
- 22.2 IQNet Ltd (including the IQNet Ltd Representative) is not responsible in case a third party, for example, a customer of the certified client, does not acknowledge, or acknowledge only part of the SA8000 certificate issued by IQNet Ltd.
- 22.3 IQNet Ltd (including the IQNet Ltd Representative) is not liable for the work and services provided by the audited client and its subcontractors.
- 22.4 IQNet Ltd (including the IQNet Ltd Representative) is not liable for loss of SA8000 accreditation, and due to this cannot provide accredited SA8000 certificates any longer.
- 22.5 IQNet Ltd (including the IQNet Ltd Representative) is also not responsible for possible wrong doing by the certified client. The SA8000 certificate is issued in accordance with methodologies, which are internationally acknowledged and reflected on the present certification rules. The SA8000 certificates prove that the certified client has implemented a management system, which was considered, based on a sampling carried out during the audit and on subsequent information, to be conform with the requirements of the reference standard and be capable of maintain its performance.

23. DISPUTES AND GOVERNING LAW

- 23.1 Notwithstanding its place of performance and execution, any controversies arising from the execution, application or interpretation of this Regulation will be solved in a friendly manner. In case the conciliation is not possible, the competent authority are the courts at Bern/Switzerland and the applicable law and legal jurisdiction are of Bern/Switzerland.

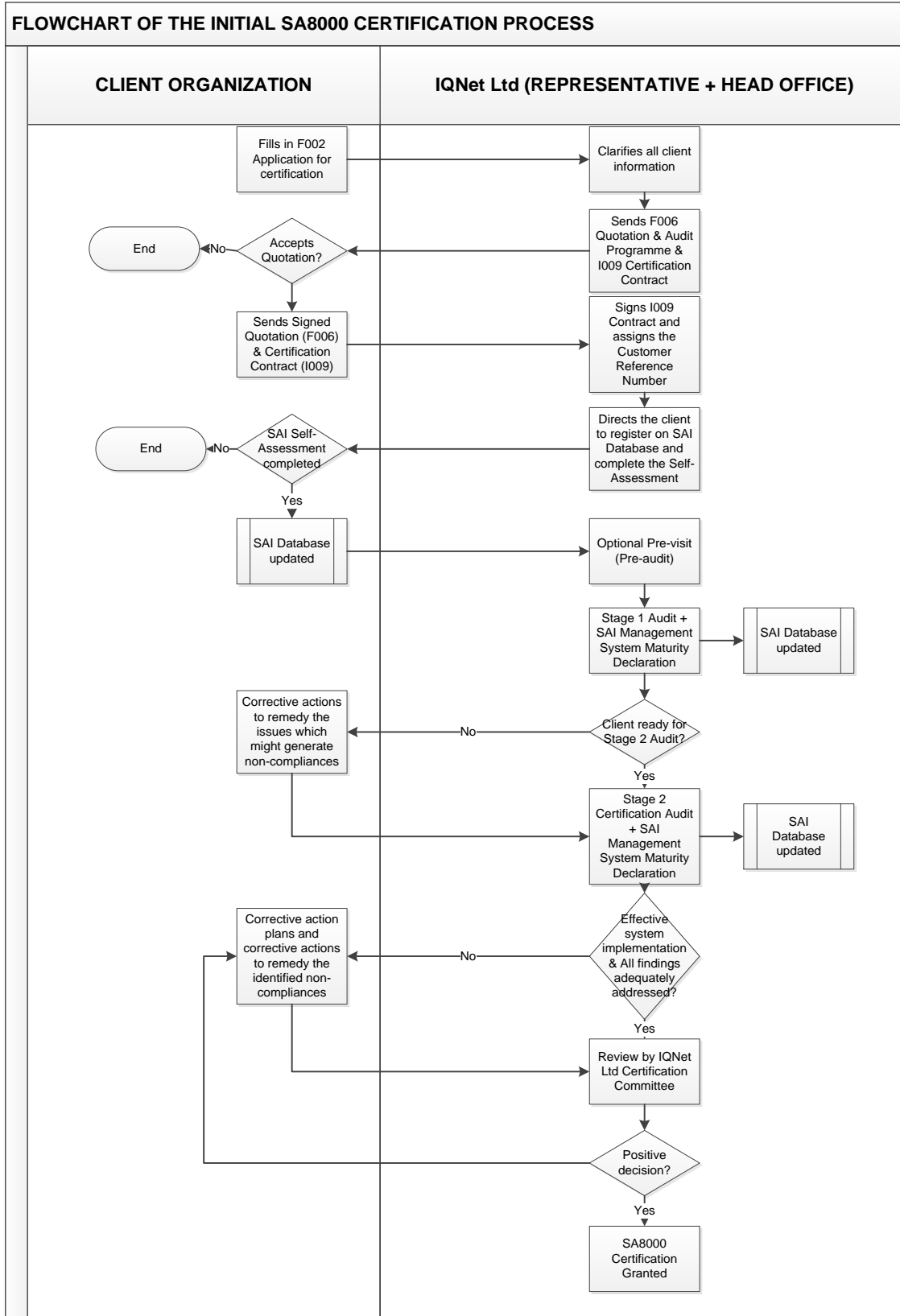
24. LANGUAGE

- 24.1 The present rules are drawn up in the English language. They may be translated into any other language than English provided that, given any conflict of interpretation, the English text will prevail. Any notice given under or in connection with the present rules must be in English.

25. ANNEXES

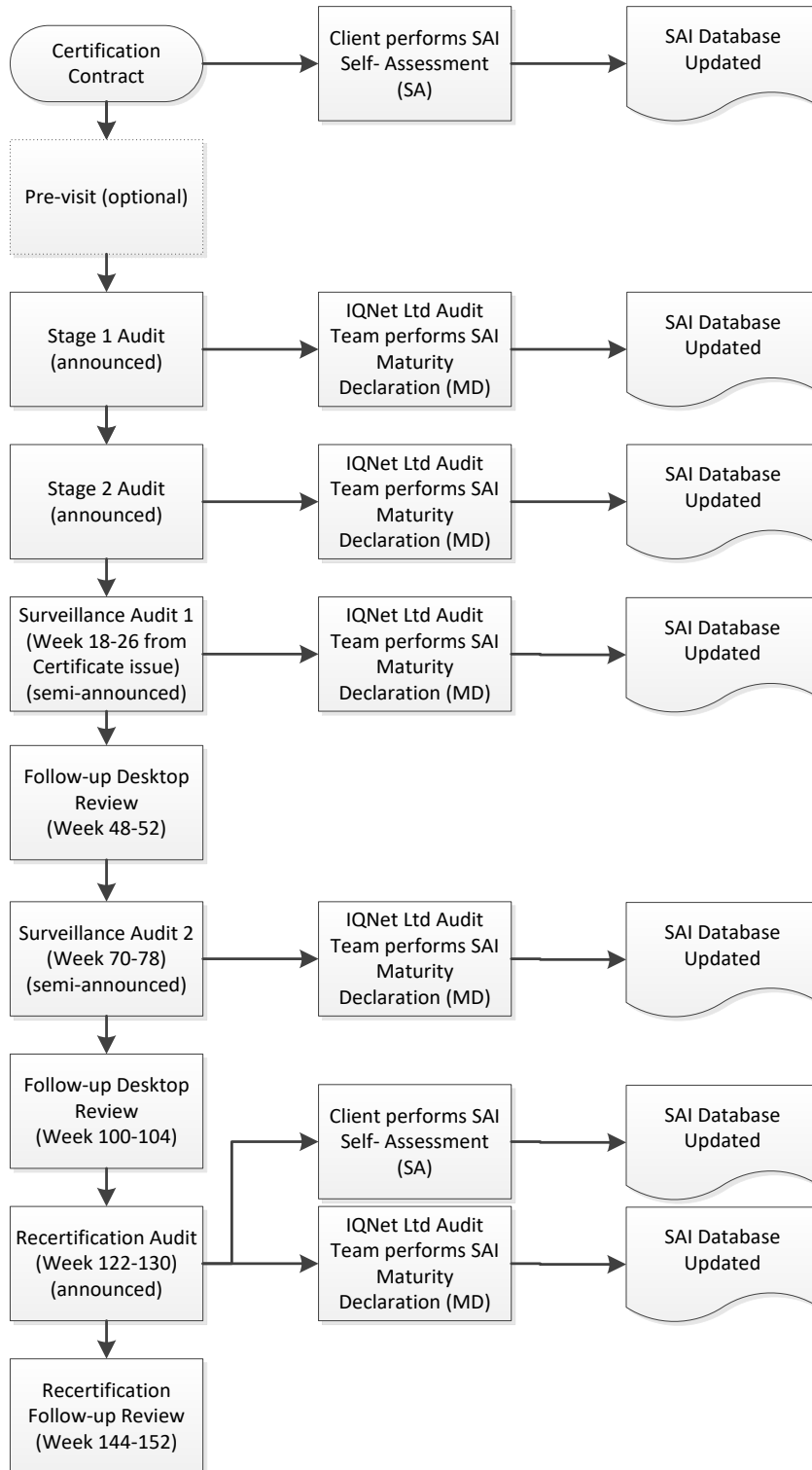
- 25.1 Annex 1 – Flowchart of the Initial SA8000 Certification Process
- 25.2 Annex 2 – The SA8000 Certification Cycle and Integration of SAI Self-Assessment and Management System Maturity Declarations
- 25.3 Annex 3 – The frequency of SA8000 Surveillance Audits
- 25.4 Annex 4 – The List of Required Documents for an SA8000 Audit
- 25.5 Annex 5 – IQNet Ltd Code of Conduct and Ethics

ANNEX 1 FLOWCHART OF THE INITIAL SA8000 CERTIFICATION PROCESS



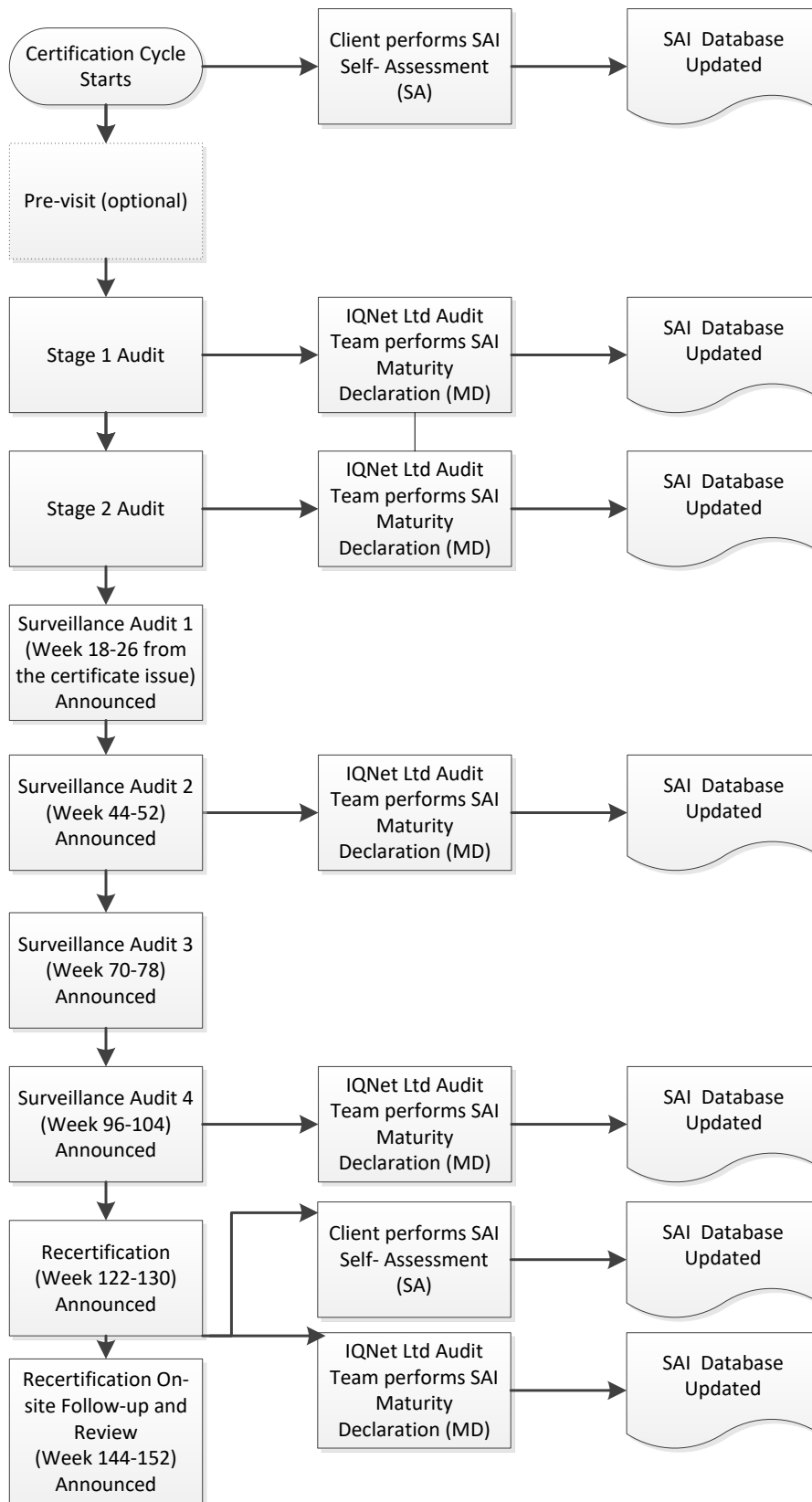
ANNEX 2 THE SA8000 CERTIFICATION CYCLE AND INTEGRATION OF SAI SELF-ASSESSMENT AND MANAGEMENT SYSTEM MATURITY DECLARATIONS

SINGLE SITE Organization



Note: The SAI Management System Maturity Declaration (MD) shall be performed in every recertification certification cycle during the same surveillance activities as in the initial cycle.

MULTI- SITE Organization



Note: The SAI Management System Maturity Declaration (MD) shall be performed in every recertification certification cycle during the same surveillance activities as in the initial cycle.

ANNEX 3 THE FREQUENCY OF SA8000 SURVEILLANCE AUDITS

SINGLE SITE Organization

Audit/Certification Cycle Activity	Visit Type	Time Window	Week Numbers
CERTIFICATION (Date of decision and issue of certificate) (Cycle start = 0 month)	None	None	0
Surveillance 1 (Before 6 months)	On-site Semi-announced visit	8 weeks	18-26
Follow-up Review (Before 12 months)	Off-site (unless on-site visit necessary) Announced (unless on-site unannounced necessary)	4 weeks	48-52
Surveillance 2 (Before 18 months)	On-site Semi-announced visit	8 weeks	70-78
Follow-up Review (Before 24 months)	Off-site (unless on-site necessary) Announced (unless on-site unannounced necessary)	4 weeks	100-104
Re-CERTIFICATION AUDIT (Before 30 months)	On-site Announced visit	8 weeks	122-130
Follow-up and Recertification Review (Before 35 months)	Off-site (unless on-site necessary) Announced (unless on-site unannounced necessary)	8 weeks	144-152
Re-CERTIFICATION (Date of decision and issue of certificate) (Cycle start = 0 months)	None	None	156

MULTI- SITE Organization

Audit/Certification Cycle Activity	Visit Type	Time Window	Week Numbers
CERTIFICATION (Date of decision and issue of certificate) (Cycle start = 0 month)	None	None	0
Surveillance 1 (Before 6 months)	On-site Announced visit	8 weeks	18-26
Surveillance 2 (Before 12 months)	On-site Announced visit	8 weeks	44-52
Surveillance 3 (Before 18 months)	On-site Announced visit	8 weeks	70-78
Surveillance 4 (Before 24 months)	On-site Announced visit	8 weeks	96-104
Re-CERTIFICATION AUDIT (Before 30 months)	On-site Announced visit	8 weeks	122-130
Follow-up and Recertification Review (Before 35 months)	Off-site (unless on-site necessary) Announced (unless on-site unannounced necessary)	8 weeks	144-152
Re-CERTIFICATION (Date of decision and issue of certificate) (Cycle start = 0 months)	None	None	156

ANNEX 4 THE LIST OF REQUIRED DOCUMENTS FOR AN SA8000 AUDIT

In order to assist you with the audit preparations, please find below a list of typical documents that should be made available to IQNet Ltd audit team during the audit.

The documents will need to be prepared in advance and be readily accessible.

Auditors will be examining some or all of the following, please prepare, as applicable:
Policies and Procedures on:
SA8000 policy and policies related to SA8000 standard elements (child labour, work eligibility of job applicants, forced and compulsory labour, health and safety, freedom of association and right to collective bargaining, discrimination, disciplinary practices, working hours, remuneration, employment agencies)
Procedures for the implementation of SA8000 standard
Procedure for remediation of child labourers
Procedure to prevent ignition of fires from sources of heat, open flames, electrical sparking, hot surfaces, welding, smoking, heat or sparks.
Procedure(s) for health and safety risk assessment and health and safety committee
Procedure for emergency preparedness and response
Procedure for labelling of chemicals
Procedure for handling and storage of hazardous waste
Method for determining the living wage (BNW)
Procedure for management review
Procedure for the Social Performance Team
Procedure for grievances and complaints
Procedure for training
Procedure for corrective and preventive actions
Procedure for internal audits
Procedure for management of suppliers and subcontractors
Others
Records and documents:
Copies of official documents on legal status of the organization (e.g. business license, certificate of registration)
Permits, operating licences, certificates of operation, etc. (e.g. business and operating permits, fire safety and electrical certificates, permits for equipment such as boilers, generators, elevators, fuel and chemical storage, tanks; building, emissions and waste-disposal permits).
Organization chart
Evidence of appointment of relevant functions (e.g. SA8000 management representative, H&S management representative, Social Performance Team, Health and Safety Committee, election of worker representative)

Layout drawing/plan of the organization premises
Record of the maximum number of people allowed in the building at one time
List of company's figures on employment structure
System for collecting and updating applicable legal requirements
Personnel files (including personnel labour contracts/terms of employment)
Employee Handbook/Work Rules/Internal Regulations (terms and conditions of employment)
Health and Safety Risk Assessment document
Minutes of H&S Committee meetings
Government inspection reports, e.g., sanitation, fire safety, structural safety, environmental compliance, etc.
A list of all the chemicals and solvents used on this site
Records of receipt, consumption, withdrawal and disposal of chemicals and crop protection substances (including Material Safety Data Sheets – MSDS)
Machinery, equipment, lifts inspection/service/maintenance plan and records
Operating and safety instructions for machinery, workplace and high-pressure equipment
Evidence of qualification of personnel working with electrical installations
Accident and injury log (including details of the most common issues, the damages and indication of harmed persons). This includes near-misses and cover the organization and employer-provided residences.
Evidence of qualification of medical personnel
Evidence of first-aid training
Emergency preparedness and response plan
Emergency evacuation plan
Documentation of health and safety training (including names of participants and dates)
Documentation on evacuation drills and fire-fighting drills (including names of participants and dates)
Inspection reports and maintenance records for fire-fighting equipment, alarm and smoke-detection systems (e.g. inspection labels on fire extinguishers)
Test reports for room temperature, noise, dust and lighting level
Records to prove that the water is drinkable
Evidence of safety measures for cooking/eating areas and dormitories (fire protection, hygiene, etc.)
Collective Bargaining Agreement (and any other agreements with union or worker representatives)
Minutes of meetings with union or worker representatives
Evidence of any infringements of the working rules/discipline and any disciplinary measures taken
Time records for the past 12 months (including time records for any on-site subcontractors, exclusive suppliers or indirect workers such as agency workers, canteen, cleaning and security)
Methodology by which wages are calculated
List of bonuses and benefits provided to personnel with details on provision criteria (e.g. who benefits, how often, organization/employee contribution)

Calculation of the living wage (BNW)
Payroll records for past 12 months (including for workers employed by third-party organizations)
Payslip records for the past 12 months
Piece rate records for the past 12 months (if applicable)
Production records for the past 12 months
Evidence on the granting of benefits for pregnant women and new mothers
Insurance, tax and other required receipts Details (policy type, date valid until, company name)
Evidence of paying the contributions to social insurance fund
Evidence on any benefits paid to employees (mandatory/voluntary)
Evidence of any exemptions from statutory regulations (e.g. comprehensive hour system, insurance waiver)
Records related to SA8000 management system implementation
Records of management review
Social performance risk assessment, covering all elements of the SA8000 standard
Records of monitoring activities by SPT
Records of internal audits
Records of internal auditor(s) qualification
Records of internal involvement and communication
Records of complaints/concerns by employees and their handling
Records on stakeholder communication and engagement
Records on non-conformities identified during internal and external audits (including root cause analysis, correction and corrective action and implementation results)
Previous ethical trade audit reports, corrective action logs
SA8000 training plan
SA8000 training materials
SA8000 Training and awareness records for personnel, worker representatives and Social Performance Team (including training effectiveness)
A list of subcontractors (including names and addressed of production units)
A list of employment agencies
List of homeworkers providing services to the organization
Evidence of communication of SA8000 requirements to suppliers
Records for risk assessment, monitoring activities and efforts to ensure that significant risks are addressed in the supply chain

ANNEX 5 IQNet Ltd CODE OF CONDUCT AND ETHICS

Code of Conduct and Ethics



To: _____

We would like to thank you in advance for your cooperation during our audit team visit to your organization.

At the same time, we would like to remind you about our Code of Conduct and Ethics regarding gifts and gratuities. Everyone in our company, including our audit personnel, fully understands the IQNet Ltd Anti-bribery and Impartiality policies (available at <https://www.iqnet-ltd.com/en/about-iqnet-ltd/impartiality-commitment> and <https://www.iqnet-ltd.com/en/about-iqnet-ltd/business-ethics>); and we would appreciate your compliance to avoid any misunderstanding.

While we respect that certain practices vary between different cultures, we also ask you to understand that we cannot allow any practice that might undermine, or it can be perceived to undermine our commitment to integrity. Under our policies, our audit personnel are required to report to their local coordinator any potential intimidation or any inappropriate offers of benefits / entertainment, and this, in turn, will refer to our Head Office management. In case of an escalating situation, our auditors are authorized to terminate the audit and leave your organization's premises. IQNet Ltd may also take further action against any parties who offer such inducements.

We also assure you that our auditors have been fully trained on correct audit procedures, which include the auditor not requesting any personal benefits as part of the audit process. If you have any concerns on this point, please contact the office named on this document.

We would also kindly ask you to provide your written consent on the following:

1. The appointed audit team working on behalf of IQNet Ltd will take photos of the audited site. Such photos are aimed to provide an overview of the work environment and ethical practices and will refrain from capturing any insights of technologies that might involve disclosure of know-how. Such photos will be included in the Audit Report and/or kept in our offices in your customer file.
2. The appointed audit team working on behalf of IQNet Ltd will take some sample copies (or extracts) of the documents referred in par. 7.10 and Annex 4 of I 011-SA SA8000 Certification Rules. Such sample copies will be maintained in our offices in your customer file, subject to confidentiality arrangements.
3. The audit team working on behalf of IQNet Ltd may conduct confidential interviews with employees chosen by the auditors freely, without any influence or interference from the management.
4. The appointed team working on behalf of IQNet Ltd can be subject to a witnessed audit (IQNet Ltd staff observing/monitoring auditor performance SAAS accreditation assessors). Witnessed audits aim at ensuring the competence and calibration of auditors performing SA8000 audits and will not affect the performance and results of the audit. There is no additional cost incurred by your organization.
5. This Code of Conduct and Ethics is a binding annex of the IQNet Ltd SA8000 Certification Rules (I011-SA) and shall be subject to the same legal jurisdiction.

Again, thank you for your support and cooperation. Please indicate your understanding and agreement by signing on the space provided below.

Yours sincerely,

IQNet Ltd Lead Auditor (Name),

Signature,

|

|

I understand and agree to abide by the IQNet Ltd Code of Conduct and Ethics.

Please insert any point of the disagreement in the space below:

]

Name and Position of Organization's Representative: _____

Signature (and Stamp): _____

Place, Date: _____