

Terms and Conditions for SA8000 Certification

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1. General

The TÜV Rheinland certification body for SA8000 Management Systems of TÜV Rheinland (China) Ltd. (hereafter "CB") offers interested organizations certification service for SA8000 management systems. The organizations' compliance with SA8000 requirements is thereby attested by a neutral certification body.

The CB operates in a non-discriminatory manner and ensures the independence and impartiality of its appointed auditors. The structural and procedural organization of TÜV Rheinland (China) Ltd. and other TÜV Rheinland subsidiaries acting as auditing bodies on behalf of TÜV Rheinland (China) Ltd. ensures that ISO/IEC 17021 criteria and the accreditation requirements set out by Social Accountability Accreditation Services (SAAS) are fulfilled. The organization and performance of the certification procedure are documented in the respective SA8000 management manuals.

With regard to the random sample character of the audit, it should be noted that additional nonconformities may exist, which were not found during the audit. The auditors' findings do not relieve the auditee of its responsibility to ensure that the requirements of the standard are fulfilled and constantly adhered to.

2. Scope of this Document

These "Terms and Conditions for SA8000 Certification" apply to the following steps of the certification process:

- Optional information meeting
- Conclusion of certification contract
- Optional pre-audit
- Management systems maturity declaration
- Initial certification audit, stage 1

- Initial certification audit, stage 2
- Awarding of certificate
- Surveillance audits
- Follow-up Reviews and
- Recertification audit.

The service delivery process was designed based on the requirements defined by SAAS, as documented in SAAS Procedure 200 along with Advisory documents. This document and other information are publicly available on SAAS website at <https://sa-intl.org/resource-library/>.

3. Additional Contractual Requirements

Before the certification process begins, a "Contract on the Certification" is signed between the local TÜV Rheinland office and the client. In this contract both parties will recognize the following as a binding contractual basis:

- These "Terms and Conditions for SA8000 Certification"
- The order conditions of the TÜV Rheinland office serving the client; and
- The price list of the local TÜV Rheinland office or the price estimated for the project.

A prerequisite for the awarding of the TÜV SA8000 certificate is a certification audit yielding a positive assessment of the effectiveness of the client's SA8000 management system in terms of its fulfilment of predetermined verification requirements based on the currently valid version of SA8000.

The client shall ensure that the audit team is granted access to the certified site to conduct all types of audits, including semi-announced audits and duplicate audits.

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The client shall allow TÜV Rheinland to add trainees or observers to the audit team.

During the audit, the client shall allow the audit team to access all records within the scope of application; to make copies of documents and records; to take photographs to document the status of the audited facility and any areas of non-compliance; and to perform confidential interviews with employees without interference from the management.

Should the client organization not allow the audit team to take the photographs by required by SAAS Procedure 200, Table 8, for new client, the certificate shall not be issued, for existing client the certificate shall be suspended.

If the client wishes to transfer its SA8000 certificate to a new certification body, the client shall permit the TÜV Rheinland CB to provide the new certification body with copies of the reports of the client's SA8000 audits conducted by TÜV Rheinland.

The client shall allow the CB to maintain a public list of certified companies containing the name and address of each organization, scope of its certificate, date of initial and subsequent certifications, certification standard and certificate number. The client shall allow the CB to report these data to SAAS and Social Accountability International (SAI) through the SAI Database.

Responsibilities / requirements for an applicant or certified SA8000 client related to consultancy:

- An applicant/certified SA8000 client wishing to utilise the services of a consultant shall enter into a formally documented and legally binding contractual agreement with the consultant (the "consultant contract").
- The consultant contract shall specify the requirements, expectations/deliverables and limitations for a limited-time consultant engagement in accordance with the

"consultant definition" provided in SAAS Procedure 200: SA8000 Advisory 2022-01 and the other requirements of that document.

- Upon request, the consultant contract shall be made readily available to representatives of the CB, or SAAS, for review and evaluation.
- The management of the applicant/certified SA8000 client shall ensure that the consultant always operates in accordance with the terms of the consultant contract in a transparent and ethical manner with respect to SA8000 and related requirements.
- The consultant's responsibilities and relationship to the applicant/certified SA8000 client's management shall be transparent within the management system and understood by the client's personnel at all levels.
- Applicant/certified SA8000 client management shall retain overall control of, and responsibility for all SA8000-related services provided by a consultant. Such control shall include demonstrating appropriate understanding of related processes, immediate access to process-related records, transparency of, and accountability for process decision-making and results.

An applicant/certified SA8000 client that is unable to meet the above requirements (after completion of CB non-conformity/corrective action process, where applicable) shall relinquish its SA8000 certification and inform the CB, its customers, and other SA8000 interested parties, as applicable.

The client shall conduct on-site internal audits of its organizations SA8000 management system at least on a biennial basis. Internal audit reports and findings raised during internal audit shall be available at each CB audit of the client's head office. The internal audit team of the client shall demonstrate their individual social auditing competency and qualifications.

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The client shall allow the following oversight activities by the accreditation body SAAS in order to ensure credibility of the SA8000 certification process:

- a) Accompany the CB auditors as observers in any of the on-site audits which are carried out.
- b) Conduct un-announced Market Surveillance Visits.

4. Service Delivery Process

The certification process for social accountability management systems on the basis of SA8000 is divided into several phases, as described below.

4.1 Application by Client

Any organization may choose to pursue third-party certification for SA8000, with the following exceptions:

- Organizations listed in the "SA8000 Certification Exclusions" list
- Organizations without active operations, e.g. "shell companies"
- Organizations that have not been engaged in their stated business for at least 6 months prior to their application for SA8000; and
- Organizations without active contracts with their customers.

To apply for SA8000 certification, the client needs to complete an application form and submit it to the local TÜV Rheinland office. The office staff will review the application and issue a quotation to the applicant.

The client's entire organization, not only personnel in selected departments or on selected sites, must be certified. The scope of the SA8000 management system and certification shall cover not only staff in full-time employment but also seasonal, part-time, temporary workers, exclusive suppliers and subcontractors paid by

the client either directly or through an employment agency. Calculation of the workforce will be based on worker totals during the high season.

Companies with multiple locations can request multiple certificates or a group certificate. Multi-site certification is only possible for commonly owned and managed group of facilities at multiple locations. SA8000 certification across multiple countries may be allowed under certain conditions as described in SAAS Procedure 200.

A multi-site organization is defined as an organization with an identified central function (central office, headquarters, or head office) at which activities carried out by a network of offices, branches or sites are planned, controlled and/or managed. The organization must have a common management system with established policies and procedures for managing all sites. All sites shall be subject to internal audits and surveillance by the head office. The following activities shall be performed at the nominated head office:

- Authorization and control of SA8000 management system documentation
- Evaluation and control of corrective actions, such as root cause analysis, corrective and preventive action
- Centralized management review addressing all sites
- Centralized hazard analysis and risk assessment activities
- Centralized internal audit planning and delivery and evaluation of internal audit results
- Control of suppliers
- Centralized management systems addressing HR function and
- Identification and management of training needs.

For multi-site audits, a sampling approach will be adopted.

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An organization that holds an SA8000 certificate issued by another SAAS-accredited certification body can transfer its certificate to TÜV Rheinland under the following conditions:

- The applicant must submit the last two SA8000 audit reports produced by the previous certification body, a copy of the previous certificate and all previous non-conformity reports to the TÜV Rheinland office.
- If these reports are not available (either from the client or the former CB or SAAS), then a transfer cannot take place and the applicant shall be considered a new client requiring initial certification Stage 1 and Stage 2 audit to be conducted.
- The client's existing certificate must be valid, with no open critical, major or time bound non-conformities.
- Any open minor non-conformity shall be addressed by a corrective action plan.

If the above conditions are met, an on-site audit equivalent to a recertification audit shall be performed. If the lead auditor determines that a stage 1 initial certification audit is also needed prior to the transfer audit, the client shall complete a self-assessment prior to this stage 1 audit.

4.2 Optional Information Meeting

The TÜV Rheinland CB will, if asked, hold an information meeting with the organization interested in obtaining certification, prior to receiving an order. This meeting may cover the following points:

- Purpose and benefits of certification
- Basic requirements for certification
- Details of certification procedure
- Scope of application and standards applied
- Estimated costs
- Proposed schedule.

The services listed in the following sections – the individual phases of the certification – will be performed by the CB after the client has completed the certification contract.

4.3 Optional pre-audit

To gain a preliminary understanding of the status of its SA8000 management system, the client can ask that a pre-audit is performed on its site. A pre-audit generates non-binding findings and does not recommend solutions. As pre-audits are not considered to be part of the initial certification process, the audit-days delivered in a pre-audit are in addition to the audit-days needed for an initial certification audit.

4.4 Management System Maturity Declaration

The Maturity Declaration is a tool developed by SAI to help organizations to measure and improve their systems for managing social performance. The Maturity Declaration process includes a self-assessment undertaken by the organization and an independent evaluation conducted by the auditor. By incorporating the Maturity Declaration into the SA8000 certification process, SAI aims to increase the integrity, credibility, and effectiveness of SA8000 certification and build the ability of SA8000-certified organizations to develop mature management systems.

All applicants for SA8000 certification must first complete a management system self-assessment in the SAI database as part of their application for initial certification or recertification. The TÜV Rheinland audit team will conduct Maturity Declaration using the SAI Database and as per SAAS procedures to assess the maturity of the management system.

The audit team will use the assessment results in their audit planning, to support audit findings and as a basis for their recommendation on whether to proceed with certification.

4.5 Initial Certification Audit, Stage 1

A stage 1 audit must be conducted to verify the data provided by the client during the application, to gain an

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understanding of the client's management system and its state of development, to identify areas of concern and to gather the data needed for audit planning. The audit team will also review the client's SA8000 management system documentation and records of internal audits and management reviews.

A stage 1 audit is performed as an on-site visit, with a report issued to the client.

Prior to a stage 1 audit, the client must complete a management system self-assessment in the SAI Database.

4.6 Initial Certification Audit, Stage 2

If more than 6 months have passed since the end of the stage 1 audit, the audit team shall conduct an additional stage 1 audit and related Maturity Declaration independent evaluation. In this case, the client organization will not have to redo its self-assessment.

In case critical issues have been identified during the Stage 1 audit, recertification audit or transfer audit, the auditee must implement corrective actions and submit the evidence to the auditor before the next stage of the audit can be scheduled.

Before the stage 2 audit, the client will receive an audit plan in sufficient time to confirm or request changes to the plan. A profile of each auditor will be sent to the client with the audit plan to provide background information on the audit team. The client will have the right to object to the audit plan or to particular audit team members if specific reasons are provided. If no objection or change request is received by a minimum of 1 week before the audit, the plan will be considered to have been confirmed by the auditee.

The company's task during an on-site audit is to demonstrate the practical application of its documented procedures. The auditors verify the effectiveness of the

implemented SA8000 management system. In addition, the auditors verify the client's records of all claims and corrective actions and their effects on the SA8000 management system.

The auditors document observed non-conformities in non-conformity reports. To conclude the audit, the auditors hold a closing meeting in which they notify the client of the audit results. The audit results are documented in an audit report.

Non-conformities are categorized as follows. Each grade has different consequences for the certification process.

- a) Critical non-conformity: grievous breach of the SA8000 standard with a severe impact on the individual rights, lives and/or safety of workers and/or the reputation of the SA8000 standard, SAI or SAAS. Examples are as follows:
- Breach of ethical standards
 - Immediate threat to workers' lives; and/or
 - Grievous and intentional violation of human rights.

Critical non-conformities prevent a certificate from being issued or result in the suspension of an existing certificate.

- b) Major non-conformity. Examples are as follows:
- Absence or total breakdown of a system implemented to meet SA8000 requirements. A number of minor non-conformities against one requirement can represent a total breakdown of the system and thus constitute a major nonconformity.
 - Situations that pose an imminent and immediate but not life-threatening risk to employees' health and safety.
 - A minor non-conformity that has not been addressed or to which no significant improvement has been made by the time of a follow-up audit.
 - A non-conformity that based on the judgment and experience of the SA8000 auditors is likely to result in the failure of the social management system to

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meet goals and expectations or to materially reduce the system's ability to reliably assure control of workplace policies and directives designed to protect workers.

A major non-conformity may be raised after the audit if an auditor is concerned about a threat to their personal safety or other consequences of raising the major non-conformity at the time of the audit.

Major non-conformities prevent a certificate from being issued. Corrective actions will be verified during an onsite re-audit or, in limited situations, via a review of documented evidence submitted by the client.

A major non-conformity that has not been addressed or to which no significant improvement has been made by the time of a follow-up audit, despite the organization's stated commitment to resolving the issue, SHALL lead to the organization's being issued a warning and moved toward suspension.

c) Examples of minor non-conformities are as follows:

- A failure or oversight in some part of the organization's social management system that is not systemic in nature; and
- A single observed lapse in following one item of a company's social management system.

d) Time-bound non-conformity

Time-bound non-conformities are special non-conformities that can only be raised as a result of audit evidence and findings demonstrating that the client organization meets the local law but not the higher requirements of SA8000 or vice versa. Time-bound non-conformities can only be raised for the findings described below:

SA8000 Element	Non-conformity	Maximum corrective action timeline
Working Hours	The client organization does not meet the maximum weekly overtime hours as prescribed by SA8000 or the country law* (Applicable only to clients located in China)	24 months
Remuneration	The client organization pays workers the legal minimum wage but not a living wage	24 months

All non-conformities shall be recorded. Non-conformities shall not be closed by the audit team during the audit in which they were issued.

To rectify non-conformities, the client must perform a root cause analysis and define and implement corrections and corrective actions to be verified by the auditor. The time allowed to submit the findings of root cause analysis and a corrective action plan and to implement of corrective actions will depend on the grade of the non-conformity, as per the following table.

NC grade	Submit corrective action plan within	Implement corrective action within
Critical	1 week	1 month
Major	1 month	3 months
Minor	2 months	6 months
Time-bound	2 months	18-24 months

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4.7 Following up Nonconformities

The effectiveness of corrections and corrective actions planned by the client will be verified by an auditor as per the following table.

NC grade	Verification within	Verification by
Critical	30 calendar days	Special audit onsite *
Major	90 calendar days	Special audit onsite *
Minor	6 months	Documentation review or during next regular audit
Time-bound	18-24 months	During regular audit

* Note: only in very limited circumstances can a critical or major NC be closed via a documentation review.

A special audit conducted to verify the effectiveness of corrective actions taken by the client to rectify critical, major and time-bound non-conformities focuses only on issues related to the non-conformities to be closed. The audit duration is decided by the lead auditor based on the time needed to verify the corrective actions.

4.8 Awarding of Certificate

The TÜV Rheinland certification office will review the documentation on the certification procedure and decide whether to issue the certificate. The client will receive the certificate (if requested, in several languages) if the following conditions have been met:

- The TÜV Rheinland certification office has received the signed contract;
- The required audit documentation has been submitted;
- All nonconformities have been corrected; and

- The audit team has recommended that the certificate be awarded.

The SA8000 certificate is valid for 3 years, provided that surveillance audits and follow-up reviews of the company are performed regularly and that their results are positive.

4.9 Surveillance Audits

In case of single site certifications, surveillance audits shall be performed on annual basis in semi-announced mode within an 8 weeks' time window period as per SAAS Procedure 200 Figure 3.

The date of the first surveillance audit following the initial certification or recertification decision shall be not more than 6 months from the certification or recertification decision date.

For multi-site certifications, surveillance audits shall be performed as per SAAS Procedure 200, Figure 4.

The client shall ensure that the audit team is granted access to the certified site to conduct announced and semi-announced audits.

If critical non-conformities are detected during a surveillance audit, the certification body may have to suspend the client's certificate.

In such cases and other special situations, an extraordinary surveillance audit may become necessary. Decisions on the necessity of such audits will be made by the certification body.

The client will receive a report after a surveillance audit.

4.10 Follow-up Reviews

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A follow-up review is a monitoring activity performed by the CB in between on-site surveillance audits in order to monitor the ongoing commitment and performance of a certified organisation. It is typically conducted via remote electronic communication with the certified organization's representatives but can be conducted on-site when the review of evidence demands it.

For single site certifications, follow-up reviews are routinely conducted approximately six months after each on-site audit visit as per SAAS Procedure 200, Figure 3.

For multi-site certifications, follow-up reviews shall be performed as per SAAS Procedure 200, Figure 4.

TÜV Rheinland retains the right to conduct on-site follow-up of corrective action progress undertaken by clients to address outstanding major or time-bound nonconformities (or other issues demanding on-site review).

As required by the accreditation body SAAS, if during the follow-up review the auditor identifies weaknesses/findings in the organization against SA8000 requirements 3.5, 9.4, 9.6 or 9.8, then the auditor shall raise a nonconformity regarding inadequate demonstration of commitment to management systems principles within the organization's SA8000 Policy. In the case of minor non-conformity raised, further actions shall be reviewed during the next scheduled audit visit. In case of major non-conformity raised, TÜV Rheinland shall perform a special audit on-site within 8 weeks to review responses and further actions undertaken.

4.11 Recertification audit

Recertification audits can be conducted to extend the validity of the client's certificate for a further 3 years. A recertification audit shall be conducted at least 6 months before the expiry of the certificate to allow sufficient time for post-audit activities (corrective action definition by auditee, audit reporting by auditor and certification decision by

certification office) to be completed before the expiry of the existing certificate.

If the client decides to pursue recertification more than 6 months after its certificate has been cancelled, withdrawn or expired, its application will be treated as new and the complete certification process, including stages 1 and 2 of the initial audit, must be conducted.

A stage 1 audit may also be considered necessary if the certified organization has undergone a major change since the last audit, such as relocation, addition or deletion of sites or addition of business processes, shifts and/or personnel.

Prior to the recertification audit, the client shall submit a newly completed application form and complete the management system self-assessment again.

A recertification audit assesses the effectiveness of the entire SA8000 management system. The audit procedure is the same as described for the initial certification audit. As in a surveillance audit, the auditors verify the client's fulfilment of SA8000 management system requirements as per the standard, its proper use of the certificate and logo, customer claims and the effects of corrective actions on the SA8000 management system. The auditors also verify the effectiveness of actions taken to correct previous non-conformities.

4.12 Duplicate audits

Each certification body is required by the accreditation body SAAS to perform a certain number of duplicate audits per year. The aim of a duplicate audit is to repeat a previously performed audit to check whether the original audit findings were credible.

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When selecting a client for a duplicate audit, the number of SA8000 certificates nationwide, the country risk level and performance factors are considered.

A duplicate audit is performed in the same way as the previous audit. If the previous audit was unannounced, the duplicate audit is also unannounced.

Duplicate audits are offered free of charge to the client.

4.13 Scope Extensions

If required, the geographical scope of the certification can be extended during surveillance or recertification audits or through audits which are independent of regular audits. The effectiveness of SA8000 management system elements within the extended (geographical) scope will be verified and documented. The audit days required for the extension audit will be calculated on the basis of the scope of the extension itself, which must be clearly specified prior to the extension audit.

4.14 Withdrawal and Suspension

The client organization is not permitted to delay any surveillance audit unless the facility is subject to a force majeure such as an earthquake, flood or fire and cannot trade. In these cases, the client organization certificate shall be suspended and the reason for such suspension recorded by TÜV Rheinland. If the client commences trading within three months of the incident, they shall be subject to a special audit by the TÜV Rheinland.

If the delay due to a client request is greater than three months, then the client's certificate shall be withdrawn/cancelled. Records of a suspension or cancellation are documented and maintained by the CB.

A client organization that does not accommodate a surveillance audit, follow-up review, special audit to verify

closure of NC's or recertification audit during the prescribed window period shall have their certification withdrawn.

Time-Bound Non-Conformity: The failure to demonstrate progress against the approved corrective action plan results in immediate certificate suspension and subsequent withdrawal.

Should the client organization not permit the audit team to access to any of the permanent sites at any time for whatever reason, a critical non-conformity shall be raised and the client's certification shall be cancelled and withdrawn.

4.15 Labour agency/ workers cooperative

If a large number of agency workers or workers cooperative workers are employed by a client organization, then the management of the labour agency and/or workers-cooperative shall attend the audit and be interviewed by the audit team. The labour agency / workers-cooperative management shall ensure that human resources, attendance and remuneration records are available for all their personnel at the time of at least every Stage 2 or Recertification Audit and upon the request of TÜV Rheinland.

5. Use of TÜV Rheinland's test mark and SA8000® name and logo

Organizations certified to SA8000 by TÜV Rheinland may use the test mark of TÜV Rheinland and/or SA8000® name and logo provided by Social Accountability International (SAI) on promotional materials, websites, and other print or online materials. Along with the SA8000 certificate TÜV Rheinland will provide to the certified client the test mark with an optional QR code which links to the CB certificate database www.certipedia.com.

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The conditions for usage of SA8000® name and logo are published on the SAI website www.sa-intl.org.

In using the logo, certified organisations may choose any of the following three options which are described:

- a) Use the test mark of TUV Rheinland with an optional QR code
- b) The SA8000® name and/or logo as guided by SAI
- c) Use both TUV Rheinland's test mark and SA8000® name and/or logo in a combination