Social Accountability International's (SAI) mission is to promote workers’ rights in a world often indifferent to them. All of us at SAI and at Social Accountability Accreditation Services (SAAS) are horrified by the fire at Ali Enterprises in Karachi, Pakistan, on September 11, in which nearly 300 workers died and many more were injured. On the day following the fire, SAAS was informed by RINA, a global certification body based in Genova, Italy, that RINA had issued an SA8000 certification to the Ali Enterprises factory on August 20, 2012.

SAAS, the accreditation agency that oversees the certification aspects of the SA8000 system, immediately began an investigation into the circumstances surrounding the certification. We expect a full report to be issued in early 2013. In the interim, both SAI and SAAS have been working to take action to improve the overall SA8000 system; these specific actions are detailed in the questions and answers below.

Many media reports in the days and weeks following the fire contained inconsistent factual information. After the fire, SAI issued a ‘Question & Answer’ (Q & A) document on September 20 to help sort through the inevitable confusion based on verified information. As our investigation is ongoing, we have updated this Q & A document to provide more detail and information to the extent that we know them at this time. For additional information, please read:

- **SAAS Statement: Status of Activities in Pakistan (November 8, 2012)**
  [www.saasaccreditation.org/news.htm](http://www.saasaccreditation.org/news.htm)
- **SAI Response to ILRF, CCC, WRC, MSN, NTUF joint press release**
- **SAI Corrections to NY Times Article (September 20,2012)**
- **SAI/SAAS Statement: Ali Enterprises Fire in Karachi, Pakistan**
Questions:

1. What is the name of certification body (CB) that issued the SA8000 certificate?

2. How was this SA8000 certificate granted? What was the process?

3. What are some of the actions that SAI has taken, or expects to take, in response to this fire?

4. What actions have been taken in Pakistan?

5. What is the status of the investigation of the Ali Enterprises fire and of RINA’s performance? What findings and conclusions, if any, have you reached?

6. Doesn’t this tragedy demonstrate the inadequacy of the social auditing model?

7. What about the role of trade unions and government to ensure decent work?

8. What are you doing to strengthen the SA8000 system?

9. The New York Times stated on September 20 that SAI is “heavily financed by industry…” What are SAI’s sources of income?

10. What is being done to ensure adequate oversight over SAAS accredited certification bodies?

11. Do SAI and/or SAAS do any systematic monitoring and quality control of the certification bodies after they receive accreditation to do SA8000 audits?

12. Did SAI or SAAS know about the large number of certifications that RINA issued in Pakistan? Did this raise any red flags for you?

13. What is the relationship between RINA and RI&CA?

14. Did SAAS ever receive evidence prior to the tragedy at Ali Enterprises to suggest that SA8000 audits were not carried out in accordance with procedures?

15. Are SAI and/or SAAS aware of the Pakistani government’s subsidy system for social certification? Did this raise any concerns before the fire at Ali Enterprises?

16. What is the process of de-certifying a factory of its SA8000 status and how frequently does that occur?

17. Why hasn’t the audit been released publicly?

18. What companies were sourcing apparel from the Ali Enterprises factory?

19. The New York Times reported September 20 that the auditors who conducted the on-site audit of Ali Enterprises were “working on behalf of Social Accountability International.” Is this accurate?

20. How can audits be effective if they are announced beforehand? What kind of audit did RINA do of Ali Enterprises?

21. What is the difference between auditing and monitoring?

22. How does the SA8000 system bring about positive change for workers?
1. What is the name of the certification body (CB) that issued the SA8000 certificate?

The company is RINA Services S.p.A., whose headquarters are located in Genova, Italy.

2. How was this certificate granted? What was the process?

SA8000 certification audits are conducted by independent CBs that are accredited by Social Accountability Accreditation Services (SAAS). These CBs are supervised by SAAS, an independent nonprofit organization established in 2007. Currently 21 CBs are accredited by SAAS to conduct SA8000 certification audits and grant SA8000 certifications; they are all listed on SAAS’ website, along with the list of all SA8000 certified facilities worldwide.

Certifications are authorized to be issued only after a rigorous review and on-site auditing process has been conducted. Certification audits are comprised of 2 stages. In the case of Ali Enterprises, two auditors from RINA’s subcontractor RI&CA (see question #13) conducted 2 on-site audits for this factory, with a total of 10 audit days spent on-site.

3. What are some of the actions that SAI has taken, or expects to take, in response to this fire?

For three days, Oct. 9-11, SAI’s multi-stakeholder Advisory Board (which includes trade unions, business, and NGOs) convened to focus on the Ali Enterprises fire and its implications for the SA8000 system, with three specific goals:

1) Shared understanding and fact finding;
2) Identification of new ways to improve our work, tools and systems; and
3) Action items to take forward.

At the meeting, five key areas of improvement were defined and prioritized:

- Fire safety
- Auditor competence
- SA8000 auditor quality
- Corruption
- Stakeholder engagement

SAI will offer more advanced fire safety courses for auditors and workplaces, add to the OSH sections of our Guidance Document, and consider adding more specific elements on OSH to the SA8000 standard and more.

Additionally, SAI will contract with SAAS to assure an increase in the number of spot checks and unannounced certification audits, and to strengthen stakeholder consultation. For SAAS actions, see #8 below. See question #5 for more information about the independent investigations in Pakistan.

4. What actions have been taken in Pakistan?

Cooperation between SAI, as the owner of the SA8000 certification scheme, and SAAS, as the oversight accreditation body for the SA8000 standard, continues to take place. As disclosed on the SAAS website, the following are among the immediate accreditation-related steps taken, in addition to the independent investigation on the ground:

- The CB, RINA, has reduced, in agreement with SAAS, its scope of accreditation and is thus not issuing or maintaining SA8000 certificates in Pakistan.
- SAAS has notified all CBs active in Pakistan that no new SA8000 certificates are to be issued until SAAS can conclude its analysis and make any changes to its accreditation and certification procedures that are identified as necessary.
- All CBs undertaking SA8000 activity in Pakistan are now required by SAAS to conduct unannounced fire safety inspections at all existing SA8000 clients and report the results to SAAS by year end.

5. What is the status of the investigation of the Ali Enterprises fire and of RINA’s performance? What findings and conclusions, if any, have you reached?

There are two investigations that have or are taking place on the ground in Pakistan, independent of the government’s investigations— 1) the investigation by SAAS and the Turkish NGO AKUT Search & Rescue Association of Ali Enterprises and unannounced fire safety inspections at a sampling of SA8000 certified companies; and 2) the investigation by all SAAS-accredited CBs currently operating in Pakistan.
I. **SAAS & AKUT Investigation:** The investigation covers Ali Enterprises, in addition to a broader review in Pakistan, sampling SA8000 certified facilities in order to understand the state of health and safety at certified facilities. The SAAS Board of Directors has been meeting frequently to review interim reports as they come in from the investigation, and to decide various system changes under consideration. (See question #4)

II. **CB Investigations:** All SAAS-accredited CBs operating in Pakistan are carrying out fire inspections at all their SA8000 certified facilities in Pakistan. The reports are due back to SAAS at the conclusion of the visits. The findings from the reports will be followed up to compare outcomes and determine changes needed in the overall system.

6. **Doesn't this tragedy demonstrate the inadequacy of the social auditing model?**

Social standards, auditing and associated training programs have improved conditions at thousands of workplaces, but they are not a guarantee against poor management, accidents or corruption. Similarly, environmental audits and certifications have driven improvements in agriculture and elsewhere through the systems of the Rainforest Alliance, Fairtrade Labelling Organisations International and Forest Stewardship Council.

Social audit based certifications for SA8000 are carried out to ascertain if labor conditions in supplier facilities are in conformity with universal labor standards – that is, core ILO Conventions – and if they comply with applicable labor laws and other basic criteria for decent work. When there are no collective bargaining agreements or social dialogue at workplaces, and where governments have not succeeded in ensuring compliance with their own laws or the observation of universal labor standards, then audit based certifications are often the only way to see to it that labor conditions are decent and conform to international standards. When shortcomings are identified in a certification audit, the employer is expected to correct these within a very limited timeframe as a condition for certification. For major non-conformances, demonstrated effective correction and a system to prevent recurrence is a pre-condition to certification.

The most important task and role of SAI, as well as other, similar initiatives is to provide support and know-how, and to partner in assistance for this improvement in labor conditions.

7. **What about the role of trade unions and government to ensure decent work?**

SAI continues to believe that independent trade unions and strong, enforced, national labor legislation are the best means to achieve decent work. Too often, however, workers do not enjoy these benefits. In a number of countries, including Pakistan, governments commonly have failed to implement their own labor laws, and to assure decent work. Also, in certain countries and/or industries unions are prevented from free and independent organizing. These are some of the reasons why multi-stakeholder initiatives and company code programs were initiated – to serve as an intermediary opportunity for collaborative change.

Unions have a welcome and important role to play in guiding multi-stakeholder initiatives in the mutual goal of raising working standards in countries where government failures may exist – including on SAI’s multi-stakeholder Advisory Board. The collective approach of all stakeholders – workers, trade unions, factory managers, NGOs, government and brands – continues to be desperately needed to improve working conditions in global supply chains.

We believe the work of SAI contributes toward the goal of decent work for all, but it will take increased collaboration among all those concerned to achieve lasting improvements in working conditions and to reduce the risk of such terrible disasters as the fire at Ali Enterprises.

8. **What are you doing to strengthen the SA8000 system?**

Ensuring consistent and reliable audit quality and certification decisions worldwide is a challenge. Moreover, lax governmental oversight and other issues are endemic to some regions and industries. Attempting to address these challenges in a multi-stakeholder context is at the core of why SAI and SAAS were established. We have made great strides in raising awareness of these issues, assuring worker rights, and improving working conditions in global supply chains. Nevertheless, enormous challenges remain.

SAI will strengthen its fire safety capacity building approach by further developing and delivering additional occupational safety and health training programs for auditors, managers and workers; strengthening the OSH sections of the SA8000 Guidance Document; considering in our 2013 regular 5-year review of the standard adding more specific code type requirements; working with SAI corporate member companies on these issues and to call on governments to enforce their labor laws.
SAAS will increase the number of spot checks and unannounced audits and strengthen stakeholder consultation within the SA8000 system. There are a large number of system changes under consideration at SAAS, many recommended by the SAI multi-stakeholder Advisory Board. For example:

- Require CBs to employ an independent occupational health and safety expert to assess the factory seeking SA8000 certification
- Require an on-site fire drill at SA8000 factories, with a CB auditor present and use the ILO Action Checklist for Fire Safety
- Require all factories seeking SA8000 certification to have fire safety inspection from a qualified fire safety organization prior to certification
- Ban certifications in high-risk locations where SAAS is unable to conduct oversight due to logistics and accessibility issues
- Ban CB subcontracting to audit bodies in high risk countries, making the accredited CB more accountable for actions of its auditors & require more control by the head office over regional & local offices
- Rotation among SA8000 auditors, at each CB that is assessing a client, to reduce risk of bias or corruption

Earlier this year the SAAS SA8000 Advisory Committee began exploring and testing on the ground ways in which we can better learn how effectively our SA8000 standard is being applied in high-risk countries where government does not effectively enforce its labor laws. We know that all systems face challenges, and we discuss these challenges extensively. Under the guidance of the Committee, SAAS conducted a new series of targeted “market surveillance” audits this summer in India to develop a methodology that can be employed in regions and/or industries where we have identified issues that we and other systems have found to be especially difficult. Because of the tragic fire in Karachi and the numerous issues that are being raised about working conditions in Pakistan, SAAS has increased and re-prioritized its efforts.

9. The New York Times stated on September 20 that SAI is “heavily financed by industry…” What are SAI’s sources of income?

SAI’s revenue comes from several sources, including: 1) Government and foundation grants to subsidize training and capacity building, train Ministry of Labor inspectors, build sustainable local capacity, convene stakeholder meetings – much of this in public/private partnerships; 2) Fees for training and capacity building services; and 3) Corporate Program membership fees from industry and retailers.

SAI does not conduct, or pay others to conduct, SA8000 certification audits. Corporate funding is not related to the CBs’ work for SA8000; instead it funds capacity building, improvement of management systems, building more responsible purchasing practices, and increasing worker participation. The vast majority of SAI’s funding, especially corporate funding, is restricted – the funding is specifically used to support the respective companies in making the needed improvements to manage their supply chain through training or capacity building programs. It is appropriate for business to pay for this, as all parties understand that is a type of investment in human capital that is key for both human and economic development.

In 2011, the most recent year, the breakout of SAI’s sources of income is as follows:

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Percentage of Total</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation &amp; government grants,</td>
<td>40%</td>
<td>$1,253,000</td>
</tr>
<tr>
<td>individual donations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Grants</td>
<td>0%</td>
<td>$0</td>
</tr>
<tr>
<td>Corporate Memberships</td>
<td>12%</td>
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<tr>
<td>Payments for Trainings</td>
<td>32%</td>
<td>$1,009,000</td>
</tr>
<tr>
<td>Other/Misc. (royalties, reimbursable</td>
<td>16%</td>
<td>$522,000</td>
</tr>
<tr>
<td>expenses, management fees)</td>
<td></td>
<td></td>
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</tbody>
</table>

As registered charities SAI and SAAS’ sources of income are publicly available through its IRS form 990, filed with the US Internal Revenue Service. As two separate organizations— separated to explicitly avoid a conflict of interest— SAI and SAAS each files its own form:
SAI: [www.sa-intl.org/financials](http://www.sa-intl.org/financials)
SAAS: [www.saasaccreditation.org/financial.htm](http://www.saasaccreditation.org/financial.htm)

10. What is being done to ensure adequate oversight over SAAS accredited certification bodies?

The role of accreditation is to verify that CBs are competent to perform their tasks in certifying organizations. SAAS undertakes verification through on-site assessments of CBs, which review the management, processes and auditor qualifications of the CBs. The CB, in turn, evaluates the implementation of the social system at the SA8000 certification
applicant’s facility. This constitutes a continuous improvement system wherein nonconformities may be identified, root causes found, measures to prevent recurrence developed, and the organization given time to correct them.

SAAS has for some time been working with SAI and the SAAS Advisory Committee to review and revise its accreditation and certification methodology, improving and clarifying the requirements for the SA8000 system. The pace has been accelerated since September 11, 2012.

Since the fire, thorough investigations on the ground in Pakistan and at the headquarters of SAAS and RINA have taken place independent of the government’s investigation. However, the details of the government’s investigation have been closely followed for any useful, factual information. The scope of the investigation encompasses not only the Ali Enterprises factory but also includes a review of all current SA8000 certifications in Pakistan.

On November 8, 2012, SAAS released a public statement that details the number of steps undertaken in response to the tragic fire. These steps were determined after intense deliberation with the SAAS Board of Directors and taking into account advice from the 3-day SAI Advisory Board meeting in October 2012. The statement can be viewed on the SAAS website: www.saasaccreditation.org/news.htm.

11. Do SAI and/or SAAS do any systematic monitoring and quality control of the certification bodies after they receive accreditation to do SA8000 audits?

Yes, SAAS does so. SAI relies on the accreditation services of SAAS and pays SAAS an annual fee to cover a portion of these services. As part of the oversight process, SAAS undertakes periodic reviews of all accredited CBs, conducting office audits and observing auditors in the field to ensure continued compliance with policies and procedures. Similar to the ISO systems as well as to the standards organizations that are members of the ISEAL Alliance, these CBs audit to a recognized standard, not individual company or industry sector codes. SAAS, as a member of ISEAL, must meet the accreditation criteria set by ISEAL and must comply with the requirements of ISO Guide 17011 as a prerequisite for full membership in the ISEAL Alliance. The process by which organizations can show their compliance is through an external audit of their procedures and operating practices.

SAAS assesses CBs annually, up to nine times a year. This is carried out in a three-part process based on level of activity and performance:

I. Visit at the headquarters of the CBs
II. Visit at the regional offices at key countries – sample selection per year
III. Witness audits, where independent auditors from SAAS follow auditors from CBs – 2-6 times per year

For Pakistan, SAAS visited RINA as well as the other two accredited CBs operating in Pakistan (Bureau Veritas, SGS) in the field in 2009, 2010 and 2012, visiting their offices and several certification sites. The audits did identify some non-conformities with requirements, which led to the development of corrective actions in Pakistan. As part of the process for continuous improvement, RINA developed an extensive action plan to address the concerns and they were to start their work in September to ensure that the measures were in effect.

Ongoing trainings of the auditors take place, both internally and externally through advanced training by SAI and other accredited training organizations, and calibration meetings by SAAS. A full reaccreditation of the CBs occurs every 4 years with continuous periodic audits throughout that 4-year cycle.

Additionally, in June 2012, SAAS began to pilot ‘market surveillance audits,’ which started in India as an additional method for SA8000 oversight. This was reported in SAI’s July 2012 newsletter: http://www.sa-intl.org/index.cfm?fuseaction=Page.ViewPage&PageID=1320

12. Did SAI or SAAS know about the large number of certifications that RINA issued in Pakistan? Did this raise any red flags for you?

SAI, as well as the public, are informed on a quarterly basis by SAAS about SA8000 certification statistics worldwide as they are posted on the SAAS website: http://www.saasaccreditation.org/certfacilitieslist.htm.

As SAAS receives and reviews SA8000 certifications from accredited CBs on a quarterly basis, it was aware of the number of certifications by RINA of facilities in Pakistan. It did not raise red flags, however, because it is not unusual to have more certifications by one or two CBs in one country than by other CBs there. SAAS considers numerous risk indicators—such as complaints, country conditions and industry-specific issues—that trigger a red flag for SAAS to look more closely and perform extra accreditation audits. SAAS identified Pakistan as a high risk country for a number of reasons; SAAS raised its risk assessment for certification in Pakistan based also upon the remote oversight by CBs and
some aspects of a Pakistani government incentive program, necessitating annual office and witness audits of all CBs undertaking audits in that country.

13. What is the relationship between RINA and RI&CA?

RINA, as one of the 21 SAAS-accredited CBs, issues SA8000 certificates. RINA issued the SA8000 certificate to Ali Enterprises and is solely responsible for decisions for granting, maintaining, renewing, extending, reducing, suspending or withdrawing SA8000 certificates at that facility. RI&CA’s role was as a subcontractor to RINA, coordinating and delivering audit services. Subcontractors do not issue SA8000 certificates; their reports go to and through the accredited CB’s formal certification review process at the CB’s headquarters.

Until November 1, 2009, RINA managed the audits and oversight of SA8000 activities in Pakistan from its offices in India, employing and supervising individual Pakistani auditors. After the November 2008 terrorist attacks in Mumbai, Pakistan ceased issuing visas to Indians. Because of this restriction, RINA made the decision to sign an MoU to contract with RI&CA for the conduct of audits in Pakistan and the auditor recommendations to the RINA multi-stakeholder panel that makes certification decisions.

ISO (International Organization for Standardization) defines outsourcing as subcontracting to another organization to provide part of the certification activities on behalf of an accredited CB. This is allowed in most international standards systems. SAAS allows it generally, but as of December 5, 2012, the SAAS Board of Directors has disallowed subcontracting in Pakistan. The SAAS board is considering widening such a restriction to other potentially high-risk countries.

14. Did SAAS ever receive evidence prior to the tragedy at Ali Enterprises to suggest that SA8000 audits were not carried out in accordance with procedures?

Since RI&CA has been in operation as RINA’s subcontractor starting on November 1, 2009 and prior to the Ali Enterprises fire, SAAS had not received any complaints about the integrity of any of the facilities it has audited.

SAAS has an established internal procedure and instructions to address how complaints and appeals may be made by interested stakeholders against the accreditation and the SA8000 certification process. Anyone has standing to lodge such a complaint, which may allege improper certification of a facility, or improper procedures by the CB in certifying a facility. Complaint systems are an essential element of a mature industrial relation system enabling a protected and effective way to express concerns and for management to respond appropriately.

SAAS receives numerous complaints every year through its public complaint system from a wide range of stakeholders, including workers, factory managers, local NGOs, trade unions, brands and other factories operating in the region. All complaints are followed up through contact with the complainant and on-site review with oversight by SAAS. SAAS has maintained oversight of RINA through both office and witnessed audits in Pakistan. In order to continually improve the SA8000 system, these assessments lead to identification of corrective actions that address weaknesses identified in conducting SA8000 audits and managing the processes.

15. Are SAI and/or SAAS aware of the Pakistani government’s subsidy system for social certification? Did this raise any concerns before the fire at Ali Enterprises?

Subsidies and encouragement programs exist for a wide variety of certifications to assist small and medium sized enterprises to participate. For SA8000, such programs exist in Pakistan and various other countries, e.g. in Italy a somewhat similar program in Tuscany and about nine other regions and in the Netherlands a sustainable public procurement program. The programs differ in some respects from each other but all support the implementation of voluntary standards and certification as a means of external verification of working conditions, promoting ethical workplaces, encouraging a culture of compliance, and satisfying the demand of ethical purchasers.

In the case of Ali Enterprises, RINA has reported to SAAS that the factory did not participate in this subsidy program. In 2010, SAAS auditors identified possible nationwide concerns related to the structure of the financial subsidy from the Pakistan Ministry of Commerce and, in November 2011, SAAS sent a memo to the three CBs then operating in Pakistan clarifying expectations in managing the Pakistan subsidy programs. Below is an excerpt from the internal memo:

“SAAS finds that a direct contractual agreement between the government of Pakistan and a CB for direct payment of the latter's certification of an account to SA8000 is not a contravention, in and of itself, of any existing rules or procedures. Nonetheless, it would seem to increase the probability and likelihood of conflict of interest situations. The practice of an entity only paying for the auditing services rendered if the facility passes the certification leads to concern about impartiality - that the CB cannot be impartial in rendering a decision for fear of not being paid for its auditing services. The CB must be able to show how impartiality is maintained in such circumstances.”
16. What is the process of de-certifying a factory of its SA8000 certification and how frequently does that occur?

SAI’s position rests on the belief that if issues are found at a factory, the factory should be encouraged to remedy, not decertify, unless the attempt to remedy fails. If a non-conformance (a violation of the SA8000 Standard) is discovered at the facility and issued to the management, the facility has to propose corrective and preventative action with a specific time period when it must undergo a remediation process. It is far more helpful for workers to have the factory commit to and implement a remediation process, than simply – and far more easily – to have the factory dropped out of the system.

Nevertheless, SAAS reports an annual average of 8-10% loss of certifications. This can be for various reasons, including continued noncompliance by the certified company, a failure to complete required surveillance audits, or a financial decision to not continue with certification.

17. Why hasn't the audit been released publicly?

Confidentiality within the SA8000 system benefits workers. Workers who speak out during audits, as well as other stakeholders with information about working conditions that can benefit workers, must be able to share that information freely, confidentially, and without fear of retribution.

SA8000 audits are conducted on a confidential basis between the CB and the audited company, with access by SAAS as part of the oversight system. Our system is voluntary. Different from government, SAAS and the accredited audit bodies have no legal power to force an employer to allow access for an audit. Market demand affords some leverage but is limited by numerous factors, including how large a portion of the employer’s sales is to buyers that prioritize labor standards performance. Confidentiality promotes a greater willingness of factory owners and others to engage positively to improve working conditions for workers. The contract between the CB and the audited company is legally binding.

18. What companies were sourcing apparel from the Ali Enterprises factory?

SAI does not have access to information about the identity of the buyers of Ali Enterprises. The SA8000 Standard does not include any requirement to disclose the names of buyers. Audit reports of the CBs are not required to include or verify the names of customers of the factory. SAI has not been able, to date, to confirm any current or recent customers of Ali Enterprises other than the already publicly disclosed company Kik. In the extraordinary and catastrophic circumstances surrounding this fire, SAI directly asked all our brand and retail members whether or not they were sourcing from Ali Enterprises. All SAI brand and retail members have assured us that they were not in a buyer-supplier relationship with Ali Enterprises.

We understand that it is extremely difficult to identify every subcontract in complex supply chains that can encompass 100,000 producers. The difficulty is compounded if a producer hides such information or makes a false claim based either on nothing at all or on a very old order. From time to time we understand that factories will offer this type of information voluntarily for reasons of their own, but we do not require auditors to verify independently information thus offered, and such information does not enter into decisions regarding certifications. Therefore, in cases where SAI could identify special risk of possible sourcing at Ali Enterprises (e.g. denim production in Pakistan), we have followed up with further questions to the members.

Unlike some other systems, SA8000 certifications are granted on a facility-by-facility basis, not on the basis of brand supply chains or retail merchandisers. We are giving strong consideration to requiring that verified information on buyers be a part of the certification process.

19. The New York Times reported September 20 that the auditors who conducted the on-site audit of Ali Enterprises were “working on behalf of Social Accountability International.” Is this accurate?

No. As explained above, the certification auditors are employed by accredited CBs, not by SAI or SAAS. Organizations accredited by SAAS to conduct SA8000 audits are responsible for following the SAAS requirements. Neither SAAS nor SAI can monitor each auditor or each factory or farm. That is the responsibility of the CBs. SAI neither conducts nor pays others to conduct SA8000 certification audits.

20. How can audits be effective if they are announced beforehand? What kind of audit did RINA do of Ali Enterprises?

Audits provide data that help identify areas where improvement is needed. SA8000 includes a management systems requirement to address the need to ensure routine compliance to the other eight performance criteria of the SA8000 Standard. The purpose is for a factory to be able to sustain compliance, after the auditor leaves. The system also incorporates routine stakeholder engagement, which is crucial for understanding the many points of view of those involved in a supply chain.
The certification audit is carried out in two stages to qualify the company for SA8000 certification—the readiness review, and then the certification audit—these two are always announced. As SA8000 is a voluntary standard, the idea behind this system is to have the factory make a commitment, and establish a partnership towards continual improvement. After certification is granted, the company is given time to undertake corrective actions at an announced audit. Following that, the second surveillance audit to the factory is always unannounced. Subsequent audits thereafter can be announced or unannounced.

In the case of Ali Enterprises, it had undergone two announced initial certification audits. Since the certification was granted on August 20, 2012, its next audit would have been announced and the subsequent audit unannounced.

21. What is the difference between auditing and monitoring?

The SA8000 system includes an assessment of the SA8000 certification applicant. This consists of the combined processes of an on-site audit, review of the outcome of the audit and a decision on an applicant’s conformance with the requirements of the SA8000 Standard. The audit is a systematic, documented process for obtaining records, statements of fact and assessing them objectively to determine the extent to which the SA8000 requirements are fulfilled. The SA8000 Standard includes a management system element that should lead to continuous improvement within the certified company and is designed to require that systems be in place for ongoing compliance.

Workers are continuously monitoring conditions, of course. An audit takes place at a specific point in time and its purpose is to obtain data on whether the organization is sustainably meeting the standards in question. That data provides information about improvements that may be needed in training, infrastructure, and/or performance. Worker interviews are an important part of the auditing process to learn about ongoing conditions.

22. How does the SA8000 system bring about positive change for workers?

Auditing and certification to SAI’s SA8000 Standard are just part of SAI’s broadly based program. The majority of SAI’s work focuses on capacity building and training at both producers and buyers, with the clear aim of promoting workers’ rights and improving working conditions and purchasing practices. This promotes an improvement of conditions and the final aim is that employers and workers themselves take the responsibility for agreeing on wages and conditions. This has brought real improvement to the lives of many workers in supply chains around the world. Auditing can provide a basis to measure if improvements are implemented; by itself, however, auditing cannot be relied upon to deliver change.