A. PRE-AUDIT PREPARATION

1. Stakeholder Engagement
   a. Several NGOs, trade unions, corporations, and other stakeholders have previously addressed forced labor within the textile and garment industries in Tamil Nadu and understand whether there are continued concerns, and thus should be consulted;
   b. When conducting an audit, CBs should engage these stakeholders, especially when auditing companies that have not integrated their supply chain;
   c. Some of these stakeholders that should be consulted include:
      i. Tirupur Steering Group (TSG) and members:
         1. Indian National Trade Union Congress, Hind Mazdoor Sabha, Labour Progressive Federation, Anna Thozhirsanga Peravai, SAVE, CSD, CARE and Prakruthi;
      ii. Tirupur Exporters Association (TEA);
      iii. Campaign Against Child Labor;
      iv. The Labor Inspectorates of Tirupur and Coimbatore, who enforce laws enacted in November 2008, and specifically the Sumangali Scheme Grievance Redress Committee within the Labor Ministry;
      v. Southern India Mills’ Association (SIMA);
      vi. Tirupur People’s Forum for the Protection of the Environment and Labor Rights;
      vii. Shanti Ashram (NGO in Coimbatore);
      viii. Main trade unions that are active in Tirupur, namely CITU and INTUC;
      ix. Centre for Education and Communication (CEC);
   d. Building informational relationships with these interested parties is an ongoing responsibility, not fulfilled by simply offering meeting dates with little advance notification. This communication needs to be ongoing and built on trust – such that stakeholders perceive the auditors to be responsive – in order for this engagement to effectively support the continuous improvement of SA8000-certified facilities;
B. DURING THE AUDIT

1. Review company hiring practices and job posting circulars: Focus on the Human Resources and Personnel Departments:
   a. Check recruitment practices regarding laborers, staff personnel, and managerial personnel;
   b. Focus on recruitment of labor force by checking hiring process:
      i. Specifically, advertisements, temporary recruitment agencies, or through referrals;
   c. Does the facility engage in the group recruitment of its work force, particularly of female employees? If so, this may be an indication of the presence of a forced labor scheme;
   d. If a forced labor scheme exists, check individual contract documents in regards to contract duration (number of years) and other conditions of employment, such as allowable statutory benefits (PF/ESI/Bonus etc.);
   e. Check post-recruitment personnel records which would give details regarding individuals with respect to his/her age, permanent address, educational qualification, previous experience, if any, etc.;
   f. Check employment contract documents for details on employment position, pay scales, etc.;
   g. Check salary payment process (weekly, monthly or yearly). Focus on employees recruited as a group, if any;
   h. Are payments made through cash, check or bank transfer?
      i. Interview workers to verify, but also double check by requesting to see evidence, such as bank slips, pass books, or other records indicating monthly payments are being received by workers;
      ii. Consult with parents of employees – often they visit employees near facilities, and are aware of how employees receive payment;
   i. Check whether the company has its own dormitory facilities within the company premises or rented outside for the benefit of employees;
   j. If yes; then make a note to visit the dormitory during the audit process in order to address freedom of movement issues often associated with forced labor schemes;
   k. Circulars referencing lump sum payments, hostel accommodations, and daily stipends should raise red flags:
      i. While these indicators are not necessarily signs that a forced labor scheme exists, in the past this is language that was used;
      ii. It is important to distinguish bonuses in addition to regular pay at the end of a contract period, which is permissible, as opposed to a forced labor scheme whereby the only payment comes at the end of a typical three-year contract;
      iii. It should be noted that the current minimum wage in Tamil Nadu, set by the state government in November 2008, is **INR 170.72 per day** – any circular advertising for less than this amount is illegal and should for obvious reasons raise additional red flags;
1. Stakeholder interviews should include interviews of recruiters and specifically address hiring offers in order to understand the terms of employment that may be communicated in different ways;

2. Interview workers outside the facilities as they come and go:
   a. In many forced labor schemes, freedom of movement is often restricted by the facility, particularly when females are housed in dormitories or when females are recruited from smaller villages;
      i. Auditors should monitor workers as they come and go, and should spend time reaching out to workers off facility premises;
      ii. Auditors should bear in mind cultural issues relevant to such restrictions of movement – in some situations, facilities assume guardianship over younger female employees as a condition of their employment;
      iii. Auditors should engage workers to determine extent to which freedom of movement is restricted;
   b. Interviewers must bear in mind that the reports cited above imply that workers are very reluctant to speak out, so efforts must be made to ensure workers are comfortable speaking about potential abuses;
   c. Where possible, female interviewers should be utilized (if the audit is of a garment unit, it is essential that female interviewers are used during the audit);
   d. Cross check whether the company provides dormitory facility to its employees;
   e. Verify efficacy of the health and safety system as well as medical facility within the premises;
   f. Seek information on accidents and illness related to workers who are staying in the dormitory as well as those recruited in bulk from nearby villages;
   g. Seek information on disciplinary practices and its application in an impartial manner covering all employees;
   h. Verify issues related to sexual harassment in the workplace;
   i. Verify salary payment details, whether through cash, check, or bank transfer;
      i. Ensure that any employees promised bonuses are receiving regular salaries as well;
      ii. Forced labor schemes emphasize receipt of lump-sum payment at end of contract term – any reference to bonus or lump-sum payment should raise red flags;
   j. Inquire as to whether personnel have a bank pass book and whether that is used for payment;
   k. Individual interviews are preferable because of their confidential nature, and group interviews may be complementary;
   l. SA8000®-accredited auditors are obliged to provide their contact information to interviewed workers – this will increase worker comfort with the auditor and audit process, and allow easier filing of complaints in cases of abuse;

3. Review supply chain management scheme:
   a. Review supply chain management scheme and discuss effectiveness of that company’s management policy with stakeholders, particularly in cases where spinning mills are not vertically integrated;
i. Consult supply chain management team on steps they take to investigate suppliers;

ii. Verify that the procedures established in the SA8000® control of suppliers (9.7 – 9.10) are implemented by reviewing records and other observable evidence;

iii. Stress the important of supply chain management with the management team in tackling the continued use of Sumangali further down the supply chain;

iv. Consult with stakeholders on effectiveness of these measures as well as their knowledge of labor conditions, particularly hiring practices, at suppliers, particularly spinning mills;

b. Reviews should be conducted regardless of whether suppliers are vertically integrated or not;

c. Extra focus should be placed on spinning mills, particularly when the manufacturer is not vertically integrated;

4. Freedom of association and collective bargaining rights:

a. Some reports have suggested that respect for workers’ FOA and collective bargaining rights is unfulfilled at certified facilities, thus auditors should take special care to investigate compliance with these core fundamental rights;

b. When auditing on SA8000® Element No. 4, Freedom of Association and the Right to Collective Bargaining, three broad areas help the auditor organize the review process: management communications, workers’ choice, and access to information;

c. Management Communications: It is important to identify any communications problems that may exist around freedom of association and the right to collective bargaining. Analyze, by specific inquiry and inspection, the extent to which the company has an open attitude towards workers’ organizing, collective bargaining and participation in improvements of working conditions:

i. What are unionized and non-unionized workers’ perspectives on freedom of association and collective bargaining rights?

ii. What are unionized and non-unionized workers’ perspectives on the extent to which the employer’s communications with and about the trade union is neutral or non-biased?

iii. Do workers report any worries or fears about joining a trade union? Do they believe managers discriminate against trade union members?

iv. Conduct in-depth analysis of facts related to any workers’ claims of discrimination or intimidation for organizing or other trade union activities;

d. Workers’ Choice:

i. Note carefully any company financing or technical assistance to any worker association or organization and verify if it is managed directly by the receiving organization, available to any worker organization they choose to form, and if workers understand such financing could be available to any worker organization they choose to form;
ii. Should workers organize assemblies and/or elections for particular organizations or representation roles, e.g. representing workers to management on matters related to SA8000®, verify that workers conduct these activities of their own volition and that management remains neutral;

e. Access to Information:
  i. Verify trade union representatives have been given the opportunity to present their organization during worker assemblies and at other times to workers and that they have access to their members during workers’ free time;
  ii. Where workers live on company property, typically in guarded residences, auditors should learn how this is arranged and verify workers freedom of movement while taking into account the local context and verify their freedom to interact with trade union representatives;
  iii. Verify that workers are effectively informed about their right to choose how to organize;

C. POST-AUDIT

1. Review findings with stakeholders, specifically NGOs, trade unions and interest groups to ensure that findings are in line with their awareness of the continued use of the scheme:
   a. These entities have on-the-ground knowledge of problem areas, and so compliance should be verified with them;

2. Report to SAAS any concerns regarding the potential presence of forced labor schemes at either a vertically integrated facility or within an entity’s supply chain;

3. Auditor must respond directly to complaints or inquiries regarding the companies that they have certified. This auditor requirement facilitates communication between the auditors and problematic cases in their area of influence;