



2.2.1 Contracts & Relations between Employer and Workforce

Employment is based on a well defined relationship between the employer and workers. There is a written agreement on employment conditions such as job position, working hours, overtime regulation, social benefits entitlement & deductions, annual paid leave & sick days as well as termination of employment. Ideally, this is defined for each worker in a written employment contract, which is signed by employer and worker, and a copy given to the worker. Alternatively only worker specific details such as position, tenure and wages are given in a contract or similar document, while additional information, which is applicable to all workers, is published in separate public documents (e.g. employment manual, openly displayed working regulations, Collective Bargaining Agreement CBA, etc.).

The company has a Social or FairTrade Policy that declares its commitment to complying with labour laws and the requirements indicated in this programme or international standards as well as its commitment to continuous improvement of working conditions. Ideally the social policy is developed in close cooperation with workers. The policy should summarize the rights and responsibilities of the management and workers with regard to labour aspects, living conditions (if applicable), basic services, occupational health and safety, training opportunities and community relations.

If there is also FairTrade certification, it includes aspects such as FairTrade beneficiaries, the decision process for Premium use and intended Premium use (rough description of types of projects to be possibly funded), etc. The Social Policy must be approved by the upper management and be distributed and made known to all workers. It may be a single "declaration document" to inform workers on the company's overall commitment for Social Responsibility, or may be a set of different, more detailed policies (e.g. on discrimination, recruiting, Health & Safety, etc.). In this case, these policies must be made known to all workers to fulfil the same overall purpose.

The employer shall develop a corporate self-understanding of partnership with the workers and do his / her best to create a positive working atmosphere.

N°	Control Points Working Relations	MAX	Score
1	There is a system of written contracts / agreements on employment conditions (see above): (0) no written documents for any workers; (1) written agreement on employment conditions only for permanent workers; OR: documents not covering above listed aspects; (2=M) written agreement on employment conditions for all workers, see above; (3) good and detailed contracts. Contract and related documents outline rights and duties of both sides and are signed by employer and worker; worker receives copy	4 M=2	
2	Contracts / agreements are effectively on file for all workers: (0) missing or incomplete contract files or any case of suspected fraud; (1=M) a few unsigned or incomplete contracts (but worker effectively has all rights of written contract); (2) complete and signed set of contracts/documents that outline employment conditions. <i>1st inspection: If so far generally no contracts were issued but workers have effective rights and company agreed to introduce contracts/agreements → 1</i>	2 M=1	
3	Workers are (0) not (1) sufficiently (2) well informed about their duties and rights.	3	
4	There is (0) no (1) little (2) adequate (3) very good interaction and understanding between employer & workers and a positive working atmosphere; (4) exceptionally close communication between workers and employers; workers have impression to work in model company; many events / support for workers, etc.	4	
5	Social policy (see above): (0) none, very low management awareness of social issues, low commitment (1) no written policy, but clear social commitment (2=M) written basic social policy (or included in different related policies); policy is made known to workers <i>If none → must be developed within 6 months after first inspection;</i> (3) well developed social policy, known to all workers, developed in close cooperation with workers	4 M=2	
6	Training by employer: (0) No training offered (1) basic on-the-job training (2) advanced continuous on-the-job training (3) training for career advancement; certificates provided (4) exceptionally good & generous study and advanced training options available for all categories of workers	4	
7	Legally required registration of workers: (0) illegal workers; (2=M) all workers who work for more than 2 months/year are legally registered⁶ if required by law; (3) even shorter term temporary workers always registered OR: employer actively supports workers in obtaining working permits, etc before employment	3 M=2	
TOTAL		MAX	TNP Score

⁶ Wherever provident fund /pension fund /social security fund subscription is available it can be accepted as 'registration' with the concerned government agency.

IMO Social & FairTrade Programme Version Feb. 08
Section 2: Social Issues Hired Labour



Maximum Points / Total Norm Points / Effective Points	24	14	
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