MSC & ASC Chain of Custody Certificate Holder Guide | Labour Derogation

Date 6 May 2020

This guide is to support MSC and ASC Chain of Custody (CoC) certificate holders' understanding of the intent of the derogation and what the derogation means for compliance with the CoC Standard. The derogation can be found on the MSC interpretations site as follows: https://mscportal.force.com/interpret/s/article/Covid-19-pandemic-derogation-6-May-2020

Disclaimer: This document is intended as guidance only. Following this document is not a fully comprehensive way of preparing for an audit against the CoC Standard or Third-Party Labour Audit Requirements. MSC recommends that, in addition, all certificate holders read the relevant standard in full and evaluate the derogation relevant to your organisation. If any interpretative issues arise in relation to the issues covered in this document, the text of the English MSC scheme documents and derogations will prevail in all instances. If you are unsure of any details on any of the subjects covered, please consult your Conformity Assessment Body (certifier), the relevant MSC scheme documents or contact the MSC at standards@msc.org

When do I have to complete a labour audit? And how will this be verified by my Conformity Assessment Body (CAB)?

Clause 5.7.2 of the MSC Chain of Custody (CoC) Standard still applies. This derogation (issued on 6 May 2020) allows CoC certificate holders to extend the deadline to complete a labour audit from their second CoC audit (described below) to 28 March 2021, whichever is later. The derogation will also allow additional mechanisms by which conformance can be verified.

What will I need to do at my next CoC audit?

If you are preparing your *initial audit* against CoC Standard, this derogation does not currently affect your organisation.

If you are preparing your *first audit* against CoC Standard v5.0 (Group/ CFO v2.0), this derogation does not currently affect your organisation.

If you, including your sites and/or subcontractors, are exempt from clauses 5.7.1-5.7.3 as per CoC Standard v5.0 (Group/ CFO v2.0) clause 5.7.4 (CFO 5.8.4), this derogation does not directly affect your organisation.

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If you will have your *second audit* against CoC Standard v5.0 (Group/ CFO v2.0) between now and 28 March 2021, where your organisation/ sites/ subcontractors have **not** been exempted from completing a labour audit, you will now **have until 28 March 2021 to complete your labour audit.**

This means that your second audit will be slightly different. You will now either:

a. Provide evidence that you have completed a labour audit **OR**
b. Confirm with your auditor the labour program you intend to use and, if possible, the planned date of the labour audit.

Because you may now complete a labour audit after your second CoC audit, this also changes how you will verify your compliance with the CoC Standard. To reduce complexity and audit burden during this time, the MSC will allow for verification to be either:

a. At the second CoC audit, if possible, **OR**
b. At the third CoC audit.

To ensure consistent application of the labour requirements for all CoC certificate holders, the MSC will request evidence of compliance from a sample of CoC certificate holders. If you receive such a request, you must cooperate with all requests from the MSC and **submit evidence within five days**. This evidence could include your valid SA8000 certificate or screenshots of the relevant parts of the amfori or SEDEX platform that shows a valid audit with no Zero Tolerance or Business Critical issues.

What happens if I do not complete a labour audit in time?

No non-conformities will be raised before 28th March 2021 if a labour audit is not completed.

However, if a labour audit is not completed by 28th March 2021, or the date of your second CoC audit, you must notify your CAB within two days (by 30th March 2021). A major non-conformity will be raised, and you will have 30 days to close it out. If you do not notify your CAB, then your CoC certification may be suspended.

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