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SA8000: Comparison on the implementation between Europe and Asia

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SA8000: Comparison on the implementation between Europe and Asia

Abstract

Purpose: The aim of this research is to compare the application of the SA8000 standard in companies from Europe and Asia and identify the differences that may arise.

Methodology: A content analysis has been carried out by analyzing the requirements of the SA8000 standard through six reports of companies from Italy, India and China, countries that lead the ranking of companies that have certified SA8000.

Results: Findings show that there is a considerable difference as a result of the implementation of the standard, based on the information provided by each company in their annual reports.

Contribution: This research contributes to enrich literature since the existing research focuses more on specific regions and not on comparing them. Furthermore, this paper will be useful for those organizations who implement the standard and their interested stakeholders.

Keywords: SA8000, standard, Corporate Social Responsibility, Accountability

1. Introduction

In the last few years, with the rapid development of the world economy, many companies focused on their development and business growth, and not so much on responsibility with the environment, labor conditions and human rights (Li, 2012). At the same time, society has become more aware of social issues. Consumers want to know about the products they are buying and are also demanding more social responsibility and transparency in the supply chain. They want to know if the company is aligned with human rights, especially in those countries where local policies are not very strict and workers may be exploited (Rohitrana, 2002).

It must be said that there are many standards practice-oriented to environmental management systems such as ISO14001, EMAS, GRI and UNGC, which focus on environmental rather than social aspects, reason why this research focuses on the study of SA8000.

Social Accountability (SA), a standard whose main objective is to protect the workers under the framework of social responsibility (Rohitrana, 2002), is increasing and a considerable number of SA8000 new adopters is expected (Sartor et al., 2016). It is a widely used tool at an international level with a high degree of implementation in emerging countries (Rohitrana, 2002). The worldwide diffusion tends to expect new adopters especially in developing countries (Llach et al., 2015).

Nowadays, many companies certify the standard as integral parts of their strategies in response to ethical issues (Beschoner and Muller, 2006). Furthermore, they aim to improve their image and increase their benefits (Miles and Munilla, 2004; Merli et al., 2015). Therefore, certification of the standard can be used to create a good impression focused on commercial purposes rather than actually improving Corporate Social Responsibility (CSR) practices (Boiral et. al, 2017).

At the same time, the standard enhances the relationship with internal stakeholders, increasing the employee's satisfaction (Merli et al., 2015). Also SA8000 can help to manage the supply chain improving the information flow, building trust and improving the chain's coordination (Ciliberti et al., 2009).

On the other hand, at the moment of the implementation obstacles may arise. High costs and lack of knowledge of CSR, are some of them (Rohitrana, 2002; Stigzelius and Mark-Hebert, 2009).

Most studies focus on analyzing Western firms while only a minority focus on firms in developing countries. This is a limitation in the literature, since, according to Social Accountability International (SAI, 2016), with the exception of Italy, most of the companies that certify the standard are in countries where there is a relevant gap between local practices and the requirements of the SA8000 (Sartor et. al, 2016).

Thus, based on the existing literature, there is still a need to continue the study of SA8000. The aim of this research is to compare the application of the SA8000 standard in companies from Europe and Asia and identify the differences that may arise. This is proposed because there is a relevant gap between the comparison of both regions and the requirements of the standard.

For this purpose, a qualitative analysis was carried out by doing a content analysis through the annual reports that the companies disclose through their official websites. Six reports from companies from Italy, India and China, the main countries implementing SA8000, were analyzed.

The paper is structured as follows: next to this introduction there is a literature review about SA8000, and then the methodology is presented, which includes the sample and protocol of analysis of the reports. The results of the comparison of the reports are analyzed and finally the conclusions, limitations, implications and future research study complete this paper.

2. Literature Review

Social Accountability 8000 (SA8000) is one of the first auditable social standards oriented to promote labor rights for workers around the world (SAI, 1997). This certification is currently considered the most important in the field of Corporate Social Responsibility (CSR) in a global level (Sartor et al., 2016; Chiarini and Vagnoni, 2017). The standard can be audited independently and certified by a third party organization. It was formulated in accordance with the Treaty of the International Labor Organization (ILO), Universal Declaration of Humans Rights and United Nations Convention on Child Rights (UN), ensuring that the whole supply chain, from manufacturers to suppliers, meet the requirements of the standard (Li, 2012; Boiral et al. 2017).

SA8000 was drafted in 1997 by the Social Accountability International (SAI). The standard contains prescriptions for employers concerning nine areas of human resources management (Rohitrana, 2002):

1. Child Labor: employers must no hire children under the age of 15 years
2. Forced Labor: employers cannot force workers to work against their will
3. Health and Safety: employers must take protective measures to guarantee workers' health and safety
4. Freedom of association and collective bargaining right: workers must have the freedom to bargain with employers (create and become members of trade unions of their choice)
5. Discrimination: racial and other discrimination are forbidden
6. Discipline: employers must not to use or support the use of disciplinary practices

7. Working hours: the working time must be limited to 48 hours per week and overtime at 12 hours per week
8. Compensation: employees must be paid at least minimum wage
9. Management system: the management system would be standardized

Among the benefits of implement SA8000, many studies have shown that the implementation promotes the differentiation of products in terms of image and price compared to the products of non-certified companies, creating competitive advantage (Miles and Munila, 2004; Ciliberti et al., 2009; Boiral et. al, 2017). The implementation, also produce benefits like global market acceptance, improve the position in the labor market by attracting skilled and trained labor force, and higher levels of quality and productivity (Miles and Munila, 2004; Ciliberti et al., 2009). The adoption improves the relationship with employees and increase employee's satisfaction (Merli et al., 2015).

Many researches have stated that in developing countries workers could improve their wages and labor conditions because of the implementation of the standard (Llach et al., 2015; Rohitrana, 2002; Stigzelius and Mark-Herbert, 2009). Furthermore, the increase of productivity and efficiency as the result of good working conditions, and the marketing opportunities in a worldwide level because of manufacturing products under this standard, are others advantages (Fuentes-García et al., 2008; Llach et al., 2015; Rohitrana, 2002).

In the other hand, there are also barriers on the implementation of the standard. Previous research have found that the high costs of implementation are obstacles at the moment of applying the standard, especially in developing countries (Llach et al., 2015; Miles and Munila, 2004; Rohitrana, 2002; Stigzelius and Mark-Herbert, 2009). The lack of culture and knowledge about CSR also makes it difficult (Llach et al., 2015; Fuentes-García et al., 2008). Additionally, others obstacles were identified, as the supplier's involvement and employee's engagement (Merli et. al, 2015).

SA8000 does not have a specific sectorial approach and can be implemented in any type of industry or business, making it in addition to its international expansion, applicable to different sectors (Rasche, 2009). Its international diffusion and similar pattern with others management systems as ISO 9001 and ISO 14001 allows to apply it to all kind of organization (Llach et al., 2015), making its implementation more efficient for those companies that have already adopted them (Ciliberti et al., 2009).

The SA8000, like a quality management system under ISO standards, also includes process stages like planning, implementation, checking and corrective actions and

management reviews (Göbbels and Jonker, 2003). Generally, organizations that previously have implemented ISO 9001 and ISO 14001 are those that later on implement SA8000 (Llach et al., 2015).

Many scholars have found that the application of the standard affects the whole supply chain because of the international demand of SA8000 by consumers, causing suppliers to be pressured to adopt it if they want to maintain their position in the supply chain (Miles and Munilla, 2004). According to SAI, an organization must develop procedures to implement SA8000 and communicate it to suppliers, subcontractors and the whole organization. Also, the standard obliges the application of social responsibility through all the supply chain (SAI, 2017). The companies who adopt SA8000 should select and evaluate its suppliers to fulfill with the standard (Llach et al., 2015). Organizations that decide to certify SA8000 are encouraged to require their suppliers to comply with the requirements of the standard as well. This ensures that the entire supply chain complies with health and safety practices in the workplace and that the human rights are respected (Reynolds and Yuthas, 2008).

The enforcement across the chain can transform the social responsibility behavior, reduces information asymmetry and the direct coordination costs (Ciliberti et al., 2009).

According to Chiarini and Vagnoni (2017), SA8000 improves the management of the supply chain from a CSR point of view. The standard introduces principles of health, safety and environmental management throughout the whole chain.

The SA8000 approach is international, but it is more widespread among the developing countries that do not meet the minimum conditions of decent work. This is because the governments cannot or do not want to regulate the basic conditions of work, reason why the standard acts like promoter of corporate social responsibility. SA8000 complements the legislation of those countries where human rights are not respected (Llach et. al, 2015).

The main countries that have certified SA8000 are Italy, India and China (Merli et al., 2015). The case of Italy deserves special mention. Italy is the first country in the world in terms of the number of companies that certified SA8000. Some possible reasons may be (Ciliberti et. al, 2008):

a) as in many developed countries, regulations on human rights and working conditions are very strict, thus covering most of the requirements of the SA8000, therefore, for companies is easy to certify,

b) in some Italian regions financial incentives are granted to those companies that certify the standard,

c) the Italian business culture has a trajectory thanks to the social role carried out by state-owned enterprises and by the socially responsible actions of important businessmen and executives

d) the EU has a strong commitment to CSR and Italy has shown a high degree of social responsibility.

With the exception of Italy, the standard is more widespread in countries where laws are weaker and human rights are not respected and in sectors where workforce is more intensive (Merli et al., 2015).

For example, in a previous research conducted by Rohitrana (2012), a Thai company that implemented SA8000 in order to strengthen and differentiate from other cheap labor countries, as well as to improve the quality of employee's lives. However, according to Thai laws, working up to 84 hours per week is allowed, so to comply with SA8000, the company had to cut down a 28% of overtime. The challenge for this company was to improve the working conditions to achieve an increase in productivity.

In other hand, consumers in developed countries are more aware of the situation of the lack of human rights in developing countries and are demanding more social conscience on the good they buy. They find an extra value if the products meet standards that ensure decent working conditions. This pressure has become an influence for international companies to adopt it (Rohitrana, 2002).

According to Sartor et al (2016), most studies focus on the analysis of Western companies, while only a minority focus on enterprises in developing countries. This is a limitation in the literature, since, according to SAI (SAI, 2017), with the exception of Italy, most of the companies that certify the standard are from countries where there is a relevant gap between local practices and the requirements of the SA8000. .

A scarcity of the literature has been identified after the analysis. Differences as the results of the implementation and its impact between developed and developing countries have not been deeply studied. Thus, the aim of this research is to compare the application of the SA8000 standard in companies from Europe and Asia and identify the differences that may arise, since there is a relevant gap between local

policies and the international requirements of the standard in developing countries (Sartor et al., 2016).

3. Methodology

In order to achieve the objective of this paper, a qualitative study was carried out by conducting a content analysis based on the annual reports that companies disclose through their official websites.

Previous content analysis of CSR reports had been carried out by Tate et al. (2010). According to this author, a content analysis is a qualitative methodology in which the data comes from documents already published, as articles, business reports and recorded communications among others. Content analysis allows researchers to synthesize texts with a large number of words into smaller categories. It is useful for obtaining valid inferences and understanding the focus on the text in three ways:

- Inferences about the author of the text, in this case the organizations whose reports were analyzed;
- Inferences about the text itself, in this case what is said in the reports;
- Inferences about the audience of the message in the text, in this case the interested stakeholders.

Based on this and in the information available, the annual reports that companies have in their official websites, the content analysis was the appropriate methodology to analyze them.

3.1. Sample

Six reports from companies from three main countries that certify SA8000 were analyzed: Ecozema (Italy), Hera Group (Italy), ITC Limited Group (India), Moser Baer (India), AAC Acoustic Technology Holdings Inc. (China) and GP Batteries (China). The companies were selected from the database of certified companies with available reports from the official website of Social Accountability International (SAI).

Following, is more information about each of them.

Two Italian companies, Ecozema and Hera Group, were selected.

Ecozema is a company that currently produces disposable, biodegradable and compostable catering products made with biopolymers or vegetable fibers. It is a company committed to constantly reducing the environmental impact of its products and processes. Beside biopolymers they are also working with post-consumer recycled plastics.

The other Italian company is Hera Group, which provides energy (distribution and sale of gas and electricity), water (water systems, sewage and treatment) and waste management (collection and disposal) services to citizens and enterprises. The Hera Group has more than 5,100 suppliers' companies, where 69% are local suppliers, which demonstrates the Group's positive local economic impact.

The second country selected is India. To analyze this country, 2 Indian companies were selected: ITC Limited Group and Moser Baer.

The ITC Limited Group is an Indian group established in Kolkata, West Bengal. It has diversified business includes five segments: Fast-Moving Consumer Goods (FMCG), Hotels, Paperboards and Packaging, Agri- Business and Information Technology.

The ITC Limited Group has Human Rights Policies applied to its employees and their supply chains. Policies and their implementation are based on respect for human rights and decent work. Suppliers are encouraged to adopt detailed management practices in accordance with international standards such as ISO 9001, ISO 14001, OHSAS 18001 and SA8000 standards. Contract manufacturing agreements provide for compliance with accepted standards on issues related to human rights and labor practices. These are some of the company's sustainability practices being adopted by its supply chain partners.

The second Indian company selected is Moser Baer, based in New Delhi, which leads the world market in manufacturing technology for its low costs. The company is one of the world's largest manufacturers of optical storage media like CDs and DVDs. The company is also the first to market next-generation of storage formats like Blu-Ray discs and HD-DVD in India. It has a presence in over 100 countries, serviced through 15 marketing offices and representatives in India, US, Europe, Japan, Russia, Ukraine, Egypt, Argentina, Chile, Malaysia and has strong tie-ups with many global technology players in the optical media storage business.

Finally, two Chinese companies, AAC Acoustic Technology Holdings Inc. and GP Batteries, were selected to complete the analysis.

In the case of AAC Technology, it is a company established in Shenzhen, and has sales offices in China, Japan, Korea, Europe and USA. It is an investment holding company, which provides micro-component solutions for communication and information technology consumer electronics worldwide. It is engaged in the research, development, manufacture and sale of acoustic products, electronic components, tooling and precision components, and electronics related accessories. Also, the company offers speakers, receivers, microphones, vibrators, VCMs, and lenses; solutions, such as integration, Deepbass speaker, LDS antenna, flexfilm/FPC-antenna, near field communication and wireless.

The second company from China analyzed is GP Batteries International Limited, which is a Hong Kong-based company engaged in the development, manufacture and marketing of batteries and related battery products. The company is one of the world's leading suppliers of primary and rechargeable batteries. It is one of the largest manufacturers of consumer batteries in China. It supplies a wide range of battery products to original equipment manufacturers, major battery companies as well as consumer retail markets under its own GP brand. The plants' production are located in Singapore, Hong Kong, China, Taiwan, Vietnam and Malaysia, supported by marketing and trading offices across Asia, Europe and North America.

Following, a comparative table was made with the companies of the different countries and the information that they publish in their reports related to the different SA8000 aspects (see table 1).

Table 1: Comparison between the reports of companies from Italy, India and China and the requirements of SA8000

SA8000 Areas	ITALY	
	Ecozema	Hera Group
Child Labor	No child is employed and any kind of child labor is promoted in the company organization.	No relationship with suppliers which have risk of incidents of child labor.
Forced Labor	There is not forced labor. All the people involved in the company activity are voluntarily working, knowing their rights and duties related to their job contract.	There is no forced labor.
Health & Safety	Both are one of the main interests of the company, in order to grant a safe and healthy workplace for employees and for anyone else who is involved in the company activities.	Prevention and safety workplace are the main principles of the company. Promotion of healthy lifestyle through different programs.
Freedom of Association and right to collective bargaining	Freedom of association and the right to collective bargain are respected.	Every worker has the right to be a party or to be protected by a trade union.
Discrimination	Equal opportunities are granted to all workers, especially caring about the prevention of any kind of discrimination.	Commitment for equal opportunities, work-life balance and enhancement of the value of diversity, fighting against all forms of discrimination in the workplace and the enhancement of diversity within the company.
Disciplinary Practices	Disciplinary practices are applied according to CCNL respecting workers, trying to solve problems through dialogue.	N/A
Working Time	According to CCNL working time is set to 40 hours per week.	Working schedule distributed over 40 hours per week.
Salary	Minimum wages granted by the company are aligned to CCNL and also the company has an incentive program by objectives.	N/A
Management System	SA8000 certification is part of an integral corporative strategy plan.	Effective integrated Management System: quality, safety, environmental and social responsibility.

Table 1: Continued

	INDIA	
SA8000 Areas	ITC Group	Moser Baer
Child Labor	Prohibition of child labor. No person below 18 years old is employed by the company.	Not employ anybody who is less than 18 years
Forced Labor	Forced or compulsory labor is prohibited in all units of the group.	Not practice Forced Labor, in any form, for any reason.
Health & Safety	Commitment to conducting its operations providing a safe and healthy workplace for its employees through the implementation of best practices and providing appropriate training to employees as well as employees of service providers.	Commitment to maintain a safe and healthy work environment.
Freedom of Association and right to collective bargaining	Respect for the dignity of the individual and the freedom of employees to lawfully organize themselves into unions.	N/A
Discrimination	Insurance of a work environment that is free from any form of discrimination among employees in terms of compensation, training and employee benefits based on caste, religion, disability, gender, sexual orientation, race, color, ancestry, marital status or affiliation with a political, religious or union organization or majority/minority group.	Commitment to not discriminate against or harass any employee or applicant for the employment on the basis of race, color, and creed, religion national origin, sex and sexual orientation, disability, age marital status or status with regard to public assistance.
Disciplinary Practices	N/A	A systematic disciplinary system which prohibits monetary harm or physical coercion to the employees.
Working Time	N/A	N/A
Salary	Designed to attract and retain high quality talent.	N/A
Management System	Maintenance the highest standards in Quality and Environment, Health & Safety and have also received SA8000 certification.	Integrated Management System certified by leading and well reputed certification bodies that show the commitment towards EH&S, quality and human rights.

Table 1: Continued

	CHINA	
SA8000 Areas	AAC Technology	GP Battery
Child Labor	Commitment with no employment of child labor and has a plant to prevent it. The company also requires suppliers to abandon any form of child labor.	N/A
Forced Labor	Commitment to protect labor rights and eliminate all forms of forced labor.	N/A
Health & Safety	Protect employee safety and health at work and create a safe and clean working environment.	Adherence to a strict safety and complies with the highest international safety standards.
Freedom of Association and right to collective bargaining	N/A	N/A
Discrimination	Commitment with no discrimination of any kind and provided training hours of anti-discrimination and anti-harassment for employees.	N/A
Disciplinary Practices	N/A	N/A
Working Time	N/A	N/A
Salary	N/A	The remuneration policy for staff adopted includes a base salary and a variable bonus that is linked to the performance of the company and individual staff.
Management System	Integrated Management System which includes Health & Safety, Environmental and Social Responsibility Managements Systems.	Group's factories have adopted ISO9001, ISO14001, OHSAS18001, SA8000 and IECQ HSPM QC080000.

Source: Own elaboration based on the information of the reports published in the website of each company.

3.2. Analysis protocol

The chosen countries to do this research were selected through the official website of SAI (2017). The criteria for the selection was based on the countries that have the largest number of certifications in a worldwide level, leading the ranking by Italy with 1081 certified companies, followed by India with 953 and by China with 654. Following is a table with the ten countries that most certify SA8000:

Country	Number of SA8000 Certified Organizations
Italy	1081
India	953
China	654
Romania	112
Bulgaria	91
Vietnam	91
Brazil	68
Pakistan	62
Spain	40

Source: SAI (2017)

This research has been developed taking into account the annual reports that companies publish on their websites. The inclusion criteria for this study were as follows: select companies from the countries that most certify SA8000 and then select those companies that have their reports available through their official websites.

The reports information has been classified according to the nine requirements of SA8000: Child Labor, Forced Labor, Health and Safety, Freedom of Association and right to collective bargaining, Discrimination, Disciplinary Practices, Working Time, Salary and Management Systems.

4. Results

In the case of Italy, it can be observed through the companies' web pages that the annual reports are very complete and that they focus on the SA8000, explaining in detail the commitments they have assumed related to human rights, the well-being of the employee and Health and Safety in the workplace.

The implementation of SA8000 management system in Ecozema has been focused on all people who have a direct or indirect relationship with the company: internal

stakeholders (shareholders, workers and partners) and external stakeholders (clients, trade and labor unions, suppliers and subcontractors, ONG and non-profit organizations and local and national institutions).

It should be noted that the company is committed to disseminating its values in terms of social responsibility, in particular SA8000, sharing this policy throughout its supply chain (suppliers, contractors and subcontractors). To ensure that SA8000 policies are met, all suppliers are evaluated and managed to gain control of social responsibility in the supply chain.

With respect to the requirements of the SA8000, Ecozema meets all the requirements of the standard: Child Labor, Forced Labor, Health and Safety, Freedom of association and collective bargaining right, Discrimination, Discipline, Working hours, Compensation and Management System.

Regarding Child Labor, there are no workers under the age of 18 in the company and it is forbidden to employ workers under the age of 16. In the case that child labor is detected within the company or at any of the suppliers, the company is committed to providing solutions to the problem and verifying the effective implementation. Moreover the company is involved in the voluntary project to help young students in curriculum counseling. The employees of the company work in a completely voluntary way, no one has been forced to work in the company and everyone knows their rights and duties since the company is responsible for providing a copy of the Work Contract and a copy of the internal policies of the company.

One of the pillars of Ecozema is Health and Safety in the workplace. For this the company is committed to improving the organization, machines and tools and to establish a Health and Safety Management System. Also by doing training programs of Health and Safety.

The company respects the worker's right to join labor unions and to collective bargain and provides places for meeting between workers and trade union representatives.

Discrimination of any kind is forbidden. If this is the case, it is possible to communicate it through the message box. To select new employee the company will be based on evaluation of professional qualities. Equal opportunities are offered for all employees.

The company takes disciplinary practices according to National Labor Contract (CCNL): oral reprimand, written reprimand, sanction, suspension, dismissal as stated in

the internal policy and in the code of conduct. Corporate punishment and oral abuses are forbidden.

The working hours are established according to the CCNL in 40 hours per week. It may be the case that they need to be modified according to the needs of the companies but are always agreed with the employee.

Finally, with regard to remuneration, minimum wages are alienated to the CCNL, in addition the company has an incentive system according to objectives.

Ecozema meets all the requirements of the SA8000, focusing on social responsibility, the protection of human rights, ensuring health and safety in the workplace.

For the second Italian company, Hera Group, social responsibility and sustainability are an integral part of corporate planning and management. Its objective is to continually improve the working conditions for the employee and to promote the adoption of the SA8000 requirements both by the same group and by the companies that work for it.

It should be noted that all qualified suppliers have signed the letter of intent with a commitment to comply with the SA8000 standard. The Hera Group committed to control its suppliers through audits, focused on the workplace and safety. In addition, it committed to continue the development of quality, safety and environmental management systems and corporate responsibility in the suppliers selection. In this way it has contributed towards developing the sensitivity of the companies in considering certification to be an element of greater competitiveness, and has led to the constant increase of the percentage of suppliers from certified over the years.

With respect to the requirements of the SA8000, it can be seen that the group complies extensively with them.

Regarding to Child Labor, the Hera Group does not employ people under the age of 18 and has no relationship with suppliers, contractors or companies that are related to child labor. In addition, there is no forced labor in the Hera Group.

The company is committed to preventing and reducing risks to health and safety at work by implementing management systems, conducting training and involving and raising employees' awareness of workplace safety goals and goals. The main pillars of the Hera Group are the prevention and safety at work, improving conduct and strengthening awareness towards health and safety.

Also, every worker has the right to be a party or to be protected by a trade union. Regarding to Discrimination, Hera Group signed the "Charter for Equal Opportunities and Equality in the Workplace" which contains 10 commitments which contribute to the fight against all forms of discrimination in the workplace and to the improvement of diversity within the company.

For Working Time, the schedule is distributed over 40 hours per week.

Finally, the Hera Group confirmed the effectiveness of its integrated management system: quality, safety, environmental and social responsibility. The certifications were maintained and consolidated (ISO 9001, ISO 14001, OHSAS 18001, ISO 50001 and SA8000).

In the case of India, the ITC Limited Group has stated that any person below the age of 18 years is employed in the workplace. ITC Limited Group does not hire suppliers who resort to using child labor. The group prohibits forced labor in any of its companies and does not contract suppliers where a case of forced labor has been detected.

For Health and Safety, the company is committed to conducting its operations providing a safe and healthy workplace for its employees. It implements best practices and provides appropriate training to employees as well as employees of suppliers.

The company believes that all employees are important players and that it is necessary to create a culture of mutual trust, respect, interdependence and significant commitment. To do it, it respects the dignity of the individual and the freedom of employees to legally organize themselves into interest groups, regardless of the supervision by management.

Also, the company promotes a workplace free of any form of discrimination among employees in terms of compensation, training and employee benefits based on caste, religion, disability, gender, sexual orientation, race, color, ancestry, marital status or affiliation with a political, religious or trade union organization. In addition, the company believes that employees with diverse cultural backgrounds bring their own unique experiences, perceptions, knowledge and skills that strengthen productivity and the ability to adapt to changing situations. The company's vision is that exposure to new ideas, cultures and perspectives increase the personal growth of employees.

In remuneration area, the compensation is designed to attract and retain high-quality talent, which gives each of its companies a unique competitive advantage and allows

the Group to achieve its objectives. This system focuses in align each employee with the company's goal and allows for a congruence between individual aspirations and the company's mission and vision.

For Management Systems, the ITC Limited Group continues to maintain the highest standards in Quality and Environment, Health & Safety. The group's companies are certified as part of an Integrated Management System, consisting of ISO 9001, ISO 14001, OHSAS 18001 and have also received Social Accountability Certification (SA 8000).

The second Indian company, Moser Baer is a firm that has certified the standard SA8000 and follows all the requirements established by the standard. During the selection of its suppliers, the company conducts audits related to the protection of human rights. It confirms that its suppliers meet the requirements of SA 8000. In addition, constant audits, interactive sessions and feedback on social responsibility have encouraged that suppliers focus on sustainability.

Regarding to the specific requirements of SA8000, the company states that it does not employ any person less than 18 years of age either directly or indirectly. In turn, it states that it does not practice any kind of forced labor, in any form, for any reason.

The company sates to maintain ethics and integrity with the environment, health, safety and government laws. It is committed to the highest standards for the health and safety of its direct and indirect stakeholders, partners, customers and contractors, as well as the protection of the environment and safety in the workplace. For doing this, the organization has a Work Safe Plan that assists to implement a risk management approach to safety and health in the workplace in order to make up a positive safety culture in an organization. The plan consists in maintain a safe and healthy working environment, proper maintenance and maintenance to control the risk of damage to the plant and equipment, make sure that only the worker who is fully qualified for that task is employed to perform such work, to persuade employees, contractors and visitors to follow a safe working procedure, to achieve effective communication and to supervise the requirement that each contractor and supplier must ensure compliance with the safety instructions given to them and provide safety appliances and equipment to employees.

Regarding the Discrimination, the company doesn't discriminate against or harass any employee or applicant for employment based on race, color, and creed, religion or national origin, sex and sexual orientation, disability, age or marital status. It is

committed to providing a work environment in which all employees are treated with respect and dignity without any discrimination and conduct that may be sexually harassing and exploitative in nature.

The company has a disciplinary system that prohibits monetary damage or physical coercion to employees. Each worker has access to all policies in their respective intranet portal account in which all important information is loaded.

Finally, Chinese companies were selected. The first one, AAC Technologies is an international high-tech company committed to issues of social responsibility, protection of labor rights and the environment, as well as the development of social welfare. The company has implemented the SA8000 management system in some of its factories in order to protect the rights and improve the working environment of its employees. Has developed corporate social responsibility strategies throughout the company fulfilling social and environmental responsibilities to protect the environment and ensure health and safety in the workplace. The company believes that compliance with international labor standards and the protection of labor rights is essential to run a responsible company that responds to the interests of its shareholders, consumers, customers, the public and various government agencies. It is committed to respect and protect the rights of its employees and to make the protection of the environment and human well-being the pillars of the company.

Regarding to child labor and forced labor, the company has a monitoring system to prevent the recruitment of child labor and forced labor. In order to effectively eliminate child labor and forced labor, the company has complaint channels to encourage employees to report any illegal employment practices. In addition, the company has established a response plan and a mechanism to combat the risk of child labor. In case that child labor is discovered, the company will take steps to ensure that the child is returned to his guardian and that the basic subsistence expenses and the compulsory education expenses of the child are supported by the company. It also requires to all its suppliers to abandon all forms of child labor or forced labor and to comply with the mechanisms and plans for rescuing and assisting working children.

For Health and Safety, the company seeks to meet workplace safety standards, reduce risk labor, strengthen employee awareness and maintain a healthy and safe working environment.

Regarding to Discrimination, the ACC Technologies respects all its employees and gives them equal treatment in employment, training, performance management,

selection and wage allocation, regardless of race, religion, skin color, gender, nationality, age and disability. Also the company provides hours of anti-discrimination and anti-harassment training for employees through its induction training.

The ACC Technologies has an integrated management system, having been certified ISO9001, ISO14001, QC080000 and SA8000 in order to ensure the protection of human rights and decent work place.

For GP Batteries, to ensure the quality of the products and to comply with the social compliance requirements, GP Batteries International Limited has attained the following certificates of international standards as SA8000 and ISO26000.

The company has committed with the environment, corporate social responsibility and to provide the best for customers and the community. Also the company adheres to strict safety and complies with the highest international safety standards.

The remuneration policy for staff adopted by the company includes a base salary and a variable bonus that is linked to the performance of the company and individual staff. Group's factories have adopted an Integrated Management System.

The annual reports of the companies were analyzed individually focusing on the SA8000 requirements. As part of the analysis, focus was given to the aspects that concern SA8000: Child Labor, Forced Labor, Health and Safety, Freedom of Association and right to collective bargaining, Discrimination, Disciplinary Practices, Working Time, Salary and Management Systems.

A comparative summary table was then drawn up with companies from different countries and the information they publish in their reports on different SA8000 aspects (see table 2).

Table 2: Summary of companies reports from Italy, India and China and SA8000 requirements

	ITALY		INDIA		CHINA	
SA8000 Areas	Ecozema	Hera Group	ITC Group	Moser Baer	AAC Technology	GP Battery
Child Labor	Available	Available	Available	Available	Available	N/A
Forced Labor	Available	Available	Available	Available	Available	N/A
Health & Safety	Available	Available	Available	Available	Available	Available
Freedom of Association and right to collective bargaining	Available	Available	Available	N/A	N/A	N/A
Discrimination	Available	Available	Available	Available	Available	N/A
Disciplinary Practices	Available	N/A	N/A	Available	N/A	N/A
Working Time	Available	Available	N/A	N/A	N/A	N/A
Salary	Available	N/A	Available	N/A	N/A	Available
Management System	Available	Available	Available	Available	Available	Available

Source: Own elaboration based on the information of the reports published in the website of each company.

5. Conclusion

The aim of this research is to compare the application of the SA8000 standard in companies from Europe and Asia and identify the differences that may arise. Findings show that there is a considerable difference as a result of the implementation of the standard, based on the information provided by each company in their annual reports.

In the case of Europe, it is notorious how the Italian firms from this research display information of almost every requirement of the SA8000 standard in their annual reports. This was to be expected since this country was identified as a special case of a developed country applying this standard, which also leads the world ranking of certified companies. These companies share general information on their official websites, showing the diverse certifications they have implemented and the annual reports. It can also be seen that the reports are more complete and detailed, disclosing in depth their commitment towards human rights, employee welfare and health and safety, guaranteeing a decent workplace. It should be noted that they show in their reports all the information related to the requirements of the SA8000, and where it can be deducted that they fully comply with all of them.

On the other hand, it can be seen that Asian companies have less information available regarding SA8000 requirements. Asian companies do not publish in their annual reports all the information related to the requirements of the standard. In general Asian companies have available information in their reports regarding to Child Labor, Forced Labor, Health and Safety and Management System. For Discrimination and Salary, Asian companies show partial information. For Working Time and Disciplinary Practices it is remarkable that any company gave information.

In the case of Indian companies, the analyzed ones display partially the information related to the standard requirements. It is peculiar to see that one company covers a set of areas that the other does not, and vice versa.

Regarding to Chinese companies, it is remarkable that the available information related to SA8000 is almost scarce, being curious that a certified company does not openly show their fulfillment with the standard and take advantage of the image benefits that it can offer.

It seems that Italian firms are strongly committed to the standard requirements, while in the case of the Asian ones, despite having certified the standard, they fail in making a good use of the publication of their compliance, which could be of interest to their

stakeholders. This could even lead to create mistrust regarding to a sustainable application of the standard.

An additional contribution was found by differentiating patterns of behavior across countries, going beyond the region analysis. This is an interesting finding since it extends the possibilities to deepen the study of this field.

6. Limitations, Future Research and Implications

This research has limitations to be considered. The study was made based on the annual reports of companies, which are not mandatory to be published, and that may or may not contain verisimilar information. It would also be ideal to have first-hand information from companies, for example through a survey. Three countries and six companies were analyzed, so in order to be able to generalize the results, it would be necessary to consider other countries from Europe and Asia regions, and to analyze a wider number of companies.

In order to deepen the analysis and determine the difference on the implementation of SA8000 between companies in Europe and Asia future research is proposed. As this research is in an exploratory state, it would be interesting to analyze in depth a significant number of European and Asian companies through an empirical study so that the results can be representative, and would be able to determine with more emphasis the differences.

This research is useful for the academic field to contribute to enrich the literature since the existing research focuses more on specific regions, mainly in developed countries, and not on comparing them. Additionally, it has managerial implications for those organizations which have already implemented the standard, their interested stakeholders, and for the organizations which are planning or in process to implement it.

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