SIZA SOCIAL

AUDIT PROCESS
&
METHODOLOGY

OCTOBER 2018 V.4

Contents

List of Annexures:

There are several online reference tools available on the SIZA platform that complement the audit process described above by providing further reference guidelines and templates for carrying out the described process. In addition the following reference documents are available:

Annexure 1: SIZA Supplementary Audit Information

Annexure 2: SIZA Audit Frequency Matrix

Annexure 3: SIZA Auditor Competency Requirements

Annexure 4: SIZA Auditor / Reviewer Competency Guidelines

INTRODUCTION

Overview of the audit process

SIZA manages its audit process through an online platform which aims to create visibility throughout the fruit value chain, with suppliers locally and with buyers from international fruit markets. The platform is supported by comprehensive user manuals (https://siza.co.za/document-library/social-library-platform-manuals/) which serves to navigate the platform for both SIZA members, Audit entities and their auditors.

Involvement of Suppliers in the audit process

Suppliers should be involved as much as possible in the audit process.

This can be done by:

Auditors:
- sharing briefing notes with the supplier explaining the background, process, applicable codes and audit methodology,
- sharing best practices and giving examples of "what good looks like" against each topic, with practical advice on ways to address common social compliance issues,
- encouraging suppliers to request social compliance audits themselves to create continuous improvement and/or to demonstrate their own commitment to social compliance.

Suppliers:
- ensuring that information on the SIZA Platform is correct and completed in full,
- it is important that producers ensure that farms are registered under the correct membership level on the SIZA Platform, since it will have an effect on the audit.
- SAQ information must be completed in full and correct
- PUC codes must be declared on the membership application
- The distance between sites must be taken into account when the level of membership is chosen
- Separate payroll- and/or management systems must be registered in different levels
- The number of farm workers which will be on the farm in high peak season must be completed on the SAQ
- It is important to know that auditors are required to audit the head office, but also to undertake inspection visits at all the production sites forming part of the scope of the audit.
- Audits must take place during peak season activities, since it is a requirement that a certain sample of the total number of full seasonal workers is interviewed.

Audit Entities (Auditors) vs Consultants

When an audit is scheduled by an Audit entity, the responsibilities of the auditor are defined and set. The Audit entity will assign an auditor(s) to the supplier/site. This auditor will not be allowed to act as a consultant/assessor to the supplier before, during or after the audit.

The roles and responsibilities of an auditor vs a consultant are as follows:

Auditors

The auditor will audit the site in accordance with the SIZA standard as set out in the APM. Any and all findings should be noted and documented on the SIZA platform. Once an audit has started, the auditor should finish the specific audit and follow through with the process. It is important to finish an audit despite the number of critical and major findings

on a farm because SIZA is an improvement process and not a pass or fail exercise. Suppliers have the option to decide not to share the audit data with his/her market.

The only time an audit can be stopped/cancelled after it has already started, is when the supplier demands that the audit be stopped; when the auditor's welfare is in danger or when the supplier disclose false information to the Audit entity which influence the scheduling of the audit or the physical implementation of the auditors' duties.

Consultants

Consultants may confer with the supplier regarding the audit. The consultant may also advise and guide the supplier before and after the audit. When all the findings have been reported and documented on the SIZA platform, the consultant can assist the supplier in understanding and interpreting the findings. Suppliers should employ consultants at their own cost and not as part of an audit.

The consulting process is therefore an external process between the supplier and the consulting firm/consultant. Neither the auditor nor the auditing entity can take on the role of both consultant and auditor for the same audit-process or on the same farm. The role of the auditor and consultant should be clearly defined prior to an audit.

Audit Bodies

If an Audit entity decide to act as an assessor / consultancy service, this must be managed separately from the audit department and the auditors who act on behalf of SIZA.

SIZA exists in order to eliminate any conflict of interest by ensuring an ethical, honest and transparent process.

SIZA Program Approach

The programme follows a 5-step process:

Step 1: Awareness-raising
Step 2: Training
Step 3: Self-Assessment Questionnaire (SAQ)
Step 4: Third party audit / Corrective Actions
Step 5: Continuous Improvement

1. RISK ASSESSMENT SYSTEM

A buying company should implement an efficient process to measure social compliance and identify risk in its supply chain. This will enable the company to focus on potential key risk areas and direct its audit resources accordingly.

Existing risk assessment tools for suppliers and employment sites include criteria such as: geographical area, employment site function, product/service category, type of purchase, employment patterns (migrant, casual workers etc.), level and nature of any subcontracting, level of supplier commitment and/or previous audit results.

This information upon which the risk assessment is based is provided by the supplier or employment site either through a self-assessment questionnaire (Annexure 1) or through questions asked as part of the commercial relationship.

1.1   Registration on the SIZA Platform

The supplier must register on the SIZA Platform. It is important that the supplier choose the right membership level according to the specifications of the farm(s)/pack house and that he/she is taking the audit process into account when choosing the level of membership. Membership renewal is due annually and consist out of a 3-step approach i.e. (paying your membership fee; sending your proof of payment to SIZA admin; updating your SAQ and submit it for approval). The pricing structure will depend on the use of the different SIZA modules and on the level of visibility to be provided to the market. The supplier's chosen membership level option will be the base fee, plus add-on modules and current selection options such as SIZA Social and/or SIZA Environmental.

SIZA is a not for profit service entity for the agri-sector. All membership fees are therefore used to create capacity and support through the SIZA office and to enable further development, functionalities and benefits on the Data Platform and through training programmes.

1.2   Self-Assessment Questionnaire

The self-assessment questionnaire (SAQ) must be completed by the SIZA member / supplier on the SIZA electronic data platform. The self-assessment questionnaire enables a supplier or employment site to provide information about the employment site, how it manages social compliance and its performance against local and international labour standards. The employment site is asked to respond to a series of questions and provide supporting documentation.

Once completed and submitted on the SIZA platform, the SAQ is evaluated by SIZA for acceptance and the member is duly notified of said acceptance.   If rejected by SIZA, the member is notified and must correct the areas indicated and resubmit the SAQ for review. This process must be repeated until it is approved.

SAQ's must be updated annually within 90 days from the annual renewal of the profile. If suppliers lapse to update SAQ's, their Audit Completion Letters will no longer be valid. Although suppliers are allocated a Platinum, Gold, Silver or Bronze status after an audit (which is valid for one, two or three years depending on the status), they must renew their membership and update their self-assessment questionnaires (SAQs) annually. One of the conditions of the two to three-year audit period is that SIZA must monitor whether members maintain ethical practices and standards during that time. SIZA must also review the updated SAQ annually to monitor if anything has changed on the farm during the specified period. If membership is not renewed and the SAQ is not updated annually, visibility on the SIZA, Sedex and GlobalG.A.P. databases will also be compromised and the audit completion letter cannot be validated. Once registration and the SAQ's are completed and approved, the supplier can request to be audited via the platform. The buying company may then register on the SIZA platform and access the supplier's information through the platform and use it as a basis for risk assessment.

The auditor must use information from the self-assessment questionnaire (SAQ) in preparation for the audit to focus the on-site investigation on high risk areas.

2.   AUDIT REQUEST

2.1   Launching the Audit request

Once the Social SAQ has been approved on the SIZA platform, the SIZA member / employment site can submit an audit request through the online system.

Audit entities must make sure that suppliers are active members of SIZA and have an approved SAQ before they scheduled an audit. SAQ's must be approved at least 7 working days before the audit take place.

SIZA will not accept any audits which were arranged through the audit entity without the supplier having an approved SAQ and an active SIZA membership on the Platform. Audit entities are not permitted to schedule an audit if it was not initially requested online by the SIZA member. Auditors will not be able to access the supplier's profile on the SIZA Platform if the audit was not scheduled online. Audit entities must ensure that they stay up to date with the scheduling of audit requests and that they respond to the supplier as soon as possible.

Once the request has been received by the Audit entity, the Audit scheduler must assign an auditor and a reviewer to the audit. This is an online process on the Platform. The auditor and the reviewer cannot be the same individual, and an auditor cannot audit the same unit successively.

An audit request may be made by SIZA members that may be:
• The employment site
• The supplier
• The buying company
• SIZA supplier
• Any other party with an interest in the commercial relationship and social performance of the employment site. For example, industry or monitoring bodies.

Any company/organisation requesting an audit is termed an 'audit requestor'.

2.2   Pre-Audit Employment Site Profile

The information required to compile a pre-audit employment site profile is generated on the platform. When an audit request is made, the SIZA member will select the audit entity they wish to have undertake the audit on their behalf. The SIZA Platform will submit this request to the audit entity electronically.

The Audit entity will then automatically have access to information relevant to the pre-audit employment site profile comprising general information about the company, employment site, location, size, workforce profile, production processes and subcontracting activities.

This information allows auditors to:
• Prepare relevant briefing materials (industry or country-specific)
• Plan the assessment, for example the gender and language capabilities of the audit team members and the required number of auditor days (cf. 3.2.2 Audit length).

Each employment site to be audited will have completed a pre-audit employment site profile as part of their SIZA member profile and SAQ submission on the SIZA platform. The information provided by the supplier should be used by the auditor in collaboration with the information provided to the Audit entity when requesting an audit, to make the necessary preparations for the audit and must also be used during audits to focus the auditor on high risk areas.

A pre-audit employment site profile should have two main areas:
1.   Supplier overview (including name of company owning the site, legal status, location, size, production processes).
2.   Employment site details (main production processes, indications of levels of capacity per month, workforce profile (including shift structure, gender balance of workforce, regular overtime hours, language spoken by workers and management and subcontracting activities).

Where the employment site itself is the Audit entity requestor, the auditor should ensure that an agreement is in place with the employment site to allow the audit entity to communicate audit findings and any alert notifications to any customers concerned.

3.   PREPARATION

3.1   Background and Context Review

The Audit entity and auditor assigned must be fully aware of the conditions, challenges and issues prevailing in the Agriculture sector in South Africa.

The auditing organisation and/or the auditor should be in regular contact with local, relevant civil society organisations (CSOs) which are knowledgeable about the issues which affect workers in the South African agriculture sector. CSOs may be NGOs, trade unions, academic institutions, industry bodies, or any other relevant organisations.

The Audit entity and auditor assigned should also regularly gather information on broader social, economic and political issues affecting workers and the local community from a broad range of sources, including government and CSOs. This should include an understanding of what constitutes a living wage in the region that enables workers to meet basic needs and provides some discretionary income.

The auditor should have a detailed awareness and understanding of South African legislation and regulatory requirements that apply in agriculture. The auditor should have knowledge of what constitutes operational best practice in the agriculture sector in South Africa.

3.2   Audit Organisation

3.2.1   Audit type

Audits should take place during a period when the employment site is in full operation (such as peak production or harvest). In any event, there should be a minimum of 2/3rds (66%) of the total number of workers (calculated during the busiest time period) present in the work place for the audit to be deemed as "valid".

Audits may be:
• Unannounced (the employment site has no prior warning of the audit)
• Semi-announced (the employment site is aware that an audit will take place during a given time period, but the actual date of audit is not communicated)
• Announced (at a mutually convenient date agreed with employment site)

In all cases, SIZA and the buying company (where this is not a member of SIZA) should clearly communicate its audit policy and process to suppliers and employment sites as part of its commercial terms. SIZA and the buying company's policy may include provision for all three types of audit under certain circumstances.

In the case of a semi or unannounced audit, the audit requester, which in most cases may be the buyer, importer, exporter of pack-house, would need to schedule the audit through the SIZA online system and select an audit entity to undertake the audit.

The risk assessment process can be used to influence the type of audit selected. For example, the audit requestor may decide to execute semi-announced audits in all high risk employment sites. However, other considerations such as the relationship with the employment site should be taken into account since semi-announced and unannounced audits can negatively impact supply chain relationships.

Unannounced audits

Unannounced audits allow auditors to assess the conditions at an employment site in their normal state, since the employment site has not had the opportunity to make any special preparations. However, there is a risk that the employment site will perceive unannounced auditing as deceitful, that the auditor will not be able to gain access to the facility and that the necessary information and personnel may not be available on the day of the visit to complete the audit.

To minimise these risks, the buying company should clearly communicate its policy on unannounced audits to suppliers and employment sites. The policy should state that:

- Audits may occur at any time on an unannounced basis
- All employment sites are required to provide both pre-audit and self-assessment information on a regular basis and this information must be accurate
- Auditors presenting the correct credentials should be allowed full access to the employment site
- The necessary records should always be kept on employment site or readily available (cf. 3.4 Supplier Preparation).

Unannounced audits would need to be requested on the SIZA online system.

To avoid unannounced audits occurring outside of the production period where no workers are present on site or during periods of inactivity or where a supplier may be absent from the site, short term notification of the intended audit by the audit entity should be permitted.

Note: Whilst unannounced audits are extremely effective at identifying an accurate picture of working conditions at the employment site, and may help uncover high risk issues, it can undermine the relationships along the supply chain, reducing the ability of the buying company to remediate. The experience of many companies indicates that unannounced audits should be reserved for due diligence checks or to investigate specific issues (critical issues suspected, lack of commitment/involvement of the suppliers, suspicion of fraud).

Semi-announced audits

Semi-announced audits reduce the risks to the commercial relationship and increase the ability of the buying company to remediate. Buying companies should clearly communicate their policy on semi-announced audits to suppliers and employment sites. The policy should include the following points:

- The buying company will specify a window during which an audit may take place. Audit windows may range between 2 weeks and 2 months.
- All employment sites are required to provide up-to-date and accurate pre-audit and self assessment information at the beginning of the window.
- Auditors presenting the correct credentials during the audit window should be allowed full access to the employment site.
- The necessary records should be kept at the employment site during the window.

Semi-announce audits need to be scheduled on the SIZA online system.

Announced audits

The right to perform an announced audit should be a normal part of the commercial relationship. However there is a risk that employment sites may make special preparations for the audit and best practice is to use a mix of announced, semi-announced and unannounced audits to mitigate this risk. Buying companies should clearly communicate their policy on announced audits to suppliers and employment sites. The policy should include the following points:

- The buying company will agree on an audit date with the employment site in advance.
- The employment site is required to provide up-to-date and accurate pre-audit and self-assessment information in advance of the audit.
- Auditors presenting the correct credentials on the date of the audit should be allowed full access to the employment site.
- The necessary records and the concerned personnel should be available at the employment site on the day of the audit.

3.2.2   Audit length

The number of auditor days at the employment site should be based on the total size of the workforce declared by the supplier. The workforce size is declared on the Social SAQ annually (based on the supplier's membership cycle). Due to the precariousness of the workforce size throughout the year/season, the Audit entity, when scheduling an audit, should consider the workforce size declared on the Social SAQ and information supplied to them by the supplier when requesting the audit in order to calculate the number of auditor days and the number of entities he must visit.

It should be noted that audit days are calculated on the total number of the permanent and temporary workforce declared as part of the employment site and not on the size of the workforce present on site on the day of the audit. The minimum sample sizes and number of person days on-site for audits is set out in the table below as calculated on the total workforce.

Table: Minimum worker interview sample size and person day requirements:

No of Employees excluding Management	No of worker interviews	Auditor Days on Site *	Effective Time spent on individual worker & group worker interviews
1-100	10	1	2 ½ hours
101 – 500	26	2	6 hours
501 – 1000	42	3	8 ½ hours
1001 - 2000	52	4	12 ½ hours
2001 +	62	4	14 hours

does not include preparation time, travel or report writing. Audit Schedulers need to use discretion when scheduling audit days.

Additional time may be added if any of the below is applicable:	
Labour Brokers on site	+ 0.5 day
Multisite 1-2 sites: >50km	+ 0.5 to 1 day
Multisite 3 or more sites >50km	+ 1.5 day
Report writing	+ 0.5 day

If a site has more than 2000 workers, the number of interviews is determined on a case by case basis depending on the circumstances of the facility. The suggested 62 is a minimum and this should increase as worker numbers increase. This is at the discretion of the auditor and in agreement with the audit requestor.

For small suppliers: Where appropriate, consideration should be given to the size and spread and the number of growing locations to ascertain auditor days required. Higher numbers of auditor days may require the use of more than one auditor. Two or more auditors in an audit team will allow for a balance of skills, or improve the gender balance. However when deciding the size of team, consideration must be given to the size of supplier site and the potential disruption caused by a large audit team.

This will enable sufficient time to interview a representative sample of the size of the workforce and to check documents relating to the sample. The sample should reflect, as a minimum:
• The gender balance of the workforce; where either men or women workers form a very small minority it is important that the audit team includes the minority in the sample.
• The spectrum of ethnic, national, linguistic, migrant or religious groups.
• Different contract types, for example permanent, temporary, agency workers.
• Different departments, including security and canteen workers as well as production workers
• Different designations, for example rank and file workers and supervisors.

Workers should be interviewed individually and in groups and in formal and informal settings without management present. Best practice is to interview some workers off-site, where they may feel more able to speak freely about any concerns they may have. Workers should be interviewed preferably in their own language. In any event management or their representatives should not act as interpreters.

Individual Interviews should last at least 15 minutes and will typically be expected to last 30 minutes. Longer interviews will be required in some circumstances, including group interviews.

The challenges in identifying a representative sample makes it difficult to identify any hard and fast rule on audit length. The minimum number of person days required for an audit is shown in the table below, however, a longer audit should be used if this guidance does not allow time for meaningful and useful interviews to be carried out with the representative sample outlined above or in the case of:
• Particularly large facilities
• Multiple languages
• Off-site interviews
• Issues requiring special investigation (e.g. discrimination)
• Other unexpected issues.

In the case of agricultural businesses, consideration should be given to the size and geographical spread of the business and the number of growing locations to ascertain person days required.

Multi-Site Audits

There may be instances where a single legal entity owns and operates several production units – particularly in the agricultural sector. The multi-site principle is applied where the organisation and multiple sites are registered as one legal entity and has one management system that is centrally controlled at a head office base.

It is not a SIZA requirement for a legal entity to include all production units as part of the SIZA assessment programme. The legal entity has the responsibility to declare all production units that are required to form part of the SIZA multi-site assessment and register these on the SIZA platform. The legal entity should implement a centralized management system and across all production units. Documentation in support of the centralized system will need to be confirmed on the SIZA platform SAQ.

However, once all production sites have been declared on the SIZA platform, these form part of the scope of audit and auditors are required to audit both the Head Office as well undertake inspection visits all the production sites forming part of the scope of the audit.   It is important that all PUC which form part of the audit be listed on the audit report. If a PUC is not listed during an audit, it will be excluded from the audit and the Audit Completion Letter.

In this case, the audit entity may apply the "multi-site" principle which involves the following:

1. A Central Systems audit at the Company's Head Office during which company policies and procedures are assessed; personnel records are assessed; senior management is interviewed in order to gain an understanding of the working of the organization as well as to ascertain the level of commitment and awareness from senior management.

2. The legal entity would need to declare the production units to be included in the audit scope based upon risk factors, including distance from the head office, detail and clarity of information submitted on the SAQ per production unit size of the different production sites, type of commodities produced by the production sites, confirmation of implementation of the centralized quality management system across all production sites by the legal entity e.g. Internal audits, consideration of any relevant issues raised in the media etc.

3. The objective of the site assessments would be:

    a. To determine compliance with central quality management systems

    b. To perform site inspections to all the declared production sites under scope on the SIZA platform to assess and evaluate health & safety, worker housing and any other employment site related criteria.

    c. To perform worker interviews.

4. Selection of workers for interviews should follow the same principles as those outlined below, however the sample size should be based on the total number of employees employed across all sites. The split of interviews should be on a pro-rata basis determined by the total number of workers on each site represented as a % of the total number of workers.

The legal entity may add additional production units before the audit, subject to the submission of an updated SAQ and assessment process for inclusion.

Worker category interview samples

The auditor should interview a proportion of the workers in each category of contract type. The number of workers interviewed should, as a minimum, be equal to the square root of the total number of workers in each category. This will help to ensure that a more representative sample is picked.

Example of interview samples:

e.g. Site A - Workforce – 2500 workers		
Contract	*Number of*	*Interview*
Permanent	2225	48
Temporary	115	11
Agency	160	13
Total	2500	72

When selecting the worker interview sample for each category of workers, it is essential to ensure that it is representative of the make-up of the population it is being drawn from. This includes ensuring that samples are representative of the gender, ethnic, national and linguistic balance of the workforce as well as being representative of migrant or religious groups, different department types and different designations. In the demonstration above, 48 permanent workers should be interviewed and the 48 workers that are selected should be representative of all permanent workers. For example if the permanent workforce is largely made up of males and workers who speak a particular language then the sample should reflect this.

3.2.3   Audit team

The audit should be conducted by a competent social auditor, who may be self-employed or be employed by a commercial organisation, NGO, trade union or industry body (for example Fruit South Africa). Auditors and auditing bodies should be chosen based on:
- Audit training and skills
- Audit experience
- Local and industry knowledge
- Language skills
- Gender and ethnic/national background reflecting that of the workforce
- Reputation
- Integrity
- Impartiality
- Commitment to improving social compliance

To prevent any conflict of interest, the auditor must not have any professional or personal involvement e.g. consulting, shareholding, ownership, family ties to or with the employment site.

The audit entity undertakes to ensure that due diligence measures are exercised to ensure impartiality.

It is best practice for the audit team to be made up of at least two people, one of whom is dedicated to conducting worker interviews and carries out interviews throughout the duration of the audit. In the event that only one auditor is required, all attempts should be made to ensure that he/she represents the majority of the workforce on the site being audited.

3.2.4   Audit Frequency

Whilst it is acknowledged that the objective of the SIZA programme is to promote improvement and thus not focus on the audit, it is also acknowledged that the audit process has an important role to play in the overall success of the program and is also recognized as an important tool in measuring and defining the improvement that has taken place.

It is also acknowledged that the audit is regarded by brand owners; retailers and buyers around the world as an important part of their own internal due diligence processes and by which they can identify and manage risk.

The SIZA programme therefore seeks to address both of these components through the application of a risk-based audit rating matrix which offers the opportunity for those suppliers that achieve a low-risk rating to benefit from a maximum of a 3 year audit frequency whilst still ensuring technical robustness through the application of increased frequency for suppliers that have a higher risk rating. In other words, audit frequency is directly related to risk-rating.

Further details on the audit frequency is available in Annexure 2.

3.3 Communicating the Audit Arrangements

3.3.1   Information for the Employment Site

The audit entity should communicate the following information at least 2 weeks before the audit to the employment site. This should be communicated in writing and in the relevant local language.

- Confirmation of receipt of the Pre-Audit Employment Site Profile as completed on the SIZA online platform and any further information required from the employment site.
- Information about the code of conduct against which the employment site is being audited and SIZA's approach towards social compliance.
- Information about the alert notification when a critical non-compliance would be identified
- Introduction of the audit team.
- The audit agenda including:
    - Timetable
    - Topics to be covered
- Key personnel invited to participate in the audit, including but not limited to:
    - Management
    - HR and Payroll personnel
    - Health & Safety personnel
    - Workers' representatives
- Information which the employment site must communicate to workers before the audit covering workers' rights and entitlements, the audit process, purpose, ground-rules for worker interviews, confidentiality of worker interviews.
- List of documents that the employment site will need to make available to the audit team on the day of the audit, including:
    - Employment site layout / floor plan
    - Company policies (including but not limited to child labour, discipline, discrimination and harassment, Health & Safety etc.)
    - Government Inspection Reports, e.g. sanitation, fire safety, structural safety, environmental compliance, etc.
    - Procedures (e.g. grievance/complaints and disciplinary procedures)
    - Evidence that procedures are followed
    - Collective Bargaining Agreements (CBA)
    - Employment contracts
    - Recruitment procedure
    - Personnel records
    - Employee handbook
    - Training records
    - Health and safety documents:
        - Hazardous chemicals list
            - Accident book
            - Chemical log
        - Machinery inspection/service logs
        - Accident and injury log
            - Emergency action procedures
            - Evacuation plan
            - Fire drill log
            - Minutes of joint committees on health and safety
    - Payroll records for past 12 months:
        - Pay records for high and low points of the season
        - Hours and/or attendance records
        - Evidence that payments have been made

- Piece rate records for the past 12 months (if applicable)
- Time records for the past 12 months
- Production records
- Minutes of meeting with workers representatives/unions
- Minutes of meetings on disciplinary matters
- Insurance, tax and other required receipts
- Permits, operating licences, Certificates of Operations, etc.
- Previous social audit reports/Corrective Action Plan Report

3.3.2 Sample Audit Agenda

Client Name		Audit Date(s)		Job No.	
Employment site name and address					

Day 1 – date

Duration	Team A Member: X	Team B Leader: Y
Morning	Opening meeting & plant tour	
	Focus group interviews -1. Child Labour and forced labour -2. Health & Safety, freedom of association, discrimination; One-to-one Interviews - Working hours , compensation - Include workers' representative if available	Accounts Department - Document review: Time records, daily job record, payroll records Staff facilities & Accommodation- Hygiene issues - Health and safety
Lunch time	Lunch break / Auditors' meeting	
Afternoon	Employment site Tour - Workshops, clinic & worker accommodation - Health and safety - Child labour and forced labour One to one interviews - Security guard and workers	Administration Department - Document review: Personnel record, Employment contracts, H&S records, Employment site rules, Disciplinary practices. Management Representative - Social accountability systems/policy - Control of suppliers/ subcontractors
	Clarification / Auditor meeting	
	Closing meeting / End of the audit	

3.4 Supplier Preparation

Employment site management should ensure that:
- A member of senior management who will participate in the ethical audit attend SIZA pre-audit training during which they will receive information inter alia on SIZA's approach to ethical auditing, the SIZA ethical standard, the ethical audit (processes and methodology).
- Documentation shall be available on the day of the audit. This includes information and documents that are usually stored at another location (e.g. a central office where payroll data is processed).
- Relevant personnel are at the employment site.
- Supervisors and managers are instructed to allow unobstructed access to auditors.

3.4.1 Information for Workers

Clear information about the audit should be communicated by the employment site to workers explaining the purpose of the visit and the process. This information should be available in the principal languages spoken by workers and should include:

- Purpose and scope of the audit
- Introduction to auditors and their role (emphasising they are independent and external)
- Process including confidentiality of worker interviews
- Contact details for the auditor and for any whistle-blowing facility supported by the audit requestor.

Sample Communication

On *(insert date)*, representatives from *(insert audit entity)* will be visiting *(insert employment site name)* to assess working conditions. The representatives will be looking at the following areas:
• Management systems
• Forced, bonded, indentured and prison labour
• Child labour and young workers
• Freedom of Association and the right to collective bargaining
• Discrimination, harassment and abuse
• Health and safety
• Wages, benefits, terms of employment
• Working hours

The visit will consist of meetings with management, a facility inspection, document reviews, and worker interviews.

The purpose of the worker interviews is to help identify any issues or good practice on-site. The interviews are strictly confidential and the identity of workers who participate will remain anonymous. You may be selected by the audit team for individual and/or group interviews, or you may be asked questions by the representatives from *(insert audit entity)* as they walk around *(insert employment site name)*. The selection of workers is based on a representative sample and you are not required to participate in interviews.

If you would like to get in touch with the representatives from *(insert audit entity)* to discuss the audit or any other issues, please do not hesitate:

(Insert contact details of audit entity)

4. AUDIT EXECUTION

The audit should include the following:
• Opening meeting
• Employment site tour (and optional perimeter survey)
• Management and worker interviews
• Document Review
• Review of corrective evidence from previous non-conformances to confirm corrective clear out
• Audit team pre-closing meeting
• Closing meeting, including summary of findings
• Agreement of findings
• Off-site visits when necessary (e.g. to interview agency workers or those employed by a labour broker; in case a site has part of its operation carried on by a subcontractor or if there is no guarantee of anonymity for workers interviewed)

This chapter sets out best practice for each step of the audit.

As a general principle, the conduct of the audit team at all times must be in the best interest of the workers.

4.1 Opening Meeting

The opening meeting must be conducted in the language spoken by management. It should be attended by relevant people including:
• Senior management.
• Managers responsible for key functions
• Trade union or worker representatives

This should be formally presented in a format agreed with the audit requestor to ensure the audit requestor's perspective is clearly communicated in an appropriate tone.

In the opening meeting, the audit team should:
• Introduce the audit team
• Explain the purpose and scope of the audit, including:
  - Potential benefits to the employment site (opportunity for management to identify and manage risk, opportunity to engage in continuous improvement, opportunity to meet customer needs etc).
  - Clarify that the purpose of an audit is continuous improvement.
  - The standard against which the audit will be conducted (code of conduct, applicable law, international law, collective agreement when relevant, whichever affords the highest level of protection).
• Explain that the minimum requirement is transparency.
• Outline the audit process.
• Review the information provided in the pre-audit employment site profile (including previous corrective action report and follow-up actions).

- Request a list of workers who are scheduled to work that day, together with any details that may be required to ensure a representative sample can be chosen for interview (such as gender, nationality, contract type)
- Confirm the structure of the worker interviews and the availability of an appropriate space where they will be conducted
- Confirm any special arrangements/ precautions required for the employment site tour
- Confirm permission to take photographs
- Agree process for communicating issues as they arise during the audit. It is best practice to communicate issues as they arise to build consensus around findings and corrective actions and allow management to:
  - Provide additional evidence where necessary
  - Address issues immediately
- Confirm the importance of attendance at the closing meeting and ensure that all key personnel can attend
- Provide an opportunity for questions and to address concerns

Note: If employment site management does not agree to the participation of worker representatives, auditors should note this and arrange a separate meeting with worker representatives.

4.2   Employment Site Tour

4.2.1   Process

The purpose of the employment site tour is to enable the audit team to observe the physical conditions and current practices in all areas of the employment site and to form a view of how physical conditions measure up to the audit requestor's policy, applicable codes of conduct, legal and regulatory requirements and any other requirements.   The findings from the tour are triangulated with evidence from management and worker interviews and document review.

As a general principle, the auditor should be able to visit all the areas of the employment site and should set the pace of the tour.   However, in some cases, employment sites may prohibit visitors from walking unaccompanied through employment site production areas or forbid photography for reasons of safety or commercial confidentiality. The auditor should note restrictions on access or photography in the audit report, and if restrictions seem unreasonable should escalate according to the audit requestor's policy.

Auditors should make every effort to ensure production is not disrupted during the employment site tour, whilst ensuring that they are able to view the production area during busy production periods. It should be possible to move around the site without delaying or halting production.
The ability of management to continue production at the site during a visit is crucial to gaining an accurate idea of working conditions and to securing management co-operation for the remainder of the visit. Auditors should keep this in mind during the site tour.

In order to achieve this, the auditor should for example:
- Ask that they be accompanied by only one or two people; usually the site or H&S manager.
- Be aware of site traffic.
- Avoid walking where workers are trying to move or transport product from one area to another.

The audit team should walk around the employment site, production areas, storage rooms, despatch areas, workers' canteen, kitchen, and if present housing, crèche and medical facilities and all other areas with managers in order to:
- Understand the work done at the employment site.
- Evaluate health and safety practice.
- Identify potentially vulnerable groups of workers.
- Note other physically observable evidence that relate to other areas of the standards.
- Cross-check whether all processes necessary for the production of finished produce are carried out in-house, at the employment site or whether there are indications that some operations may be sub-contracted to other units.
- Observe management systems and practices, including atmosphere between management and workers.

The auditor / audit team should raise issues as they arise during the employment site tour, giving managers the opportunity to seek clarification, respond, and provide explanations or further evidence.

The auditor should focus on:
- Work environment (space, temperature, tidiness, etc.)
- Work stations (space provided, chairs for pregnant workers, etc.)
- Fire equipment and emergency equipment
- Machine protection and maintenance
- Emergency procedures
- Personal protective equipment
- First aid equipment
- Hazardous substances storage, handling and disposal
- Waste management
- Toilets and sanitation
- Potable water
- Canteen hygiene and safety when applicable
- Dormitory hygiene and safety when applicable
- Young-looking workers
- Indications of restrictions of workers' freedom of movement
- Indications of infringements of workers' dignity
- Selection of individual workers for interviews on the spot, at the production location or close-by, or for subsequent interview sessions
- Quality records
- Production records
- Time records
- Display of codes of conduct or labour law
- Display of information relating to trade union or workers committee meetings
- Any indications of discrepancies between employment site operations and the protection of workers' rights

4.2.2   Optional perimeter survey

A perimeter survey can be useful to provide supplementary information about the employment site and its local context and to identify specific risk issues (see section 3.1).

The perimeter survey should focus on:
- The surrounding environment (e.g. industrial park, neighbourhood, business district, etc.) and its advantages/constraints
- Neighbouring facilities (e.g. hospitals, clinics, restaurants, shops, recreation, fire protection, police, waste disposal, etc.)
- Work hours, labour issues, support for local community, waste discharge, etc.
- Other facilities located on the employment site property (e.g. dorms, canteen, clinic, water treatment vs. external water discharge)
- The physical construction and layout of the employment site (e.g. structures on the property, access to employment site via fences or gates, worker transport, exits off the grounds, etc.)
- Other production units within the employment site property which are not part of the scope of the audit.

4.3   Interviews

Interviews with managers, trade union representatives (and/or other workers' representatives) and workers will take place on-site. However, it may be appropriate to carry out additional worker interviews off-site.

4.3.1   Worker Interviews

Workers should be interviewed individually and in groups and in formal and informal settings without management present. Best practice is to interview some workers off-site, where they may feel more able to speak freely about any concerns they may have. Workers should be interviewed preferably in their own language. In any event management or their representatives should not act as interpreters.

Individual Interview should last at least 15 minutes and will typically be expected to last 30 minutes. Longer interviews will be required in some circumstances, including group interviews.

Points raised by workers should be fed back as early as possible to members of the team carrying out management interviews or document review to facilitate verification.

Audit team members carrying out worker interviews must have the skills to make workers feel at ease. It is best practice to use interviewing techniques to encourage interviewees to identify the issues most important to them, and to uncover hidden issues such as discrimination and intimidation. In any case, the interviewer should use appropriate body language (e.g. avoid sitting behind a desk, make regular eye contact, smile, etc.)

Selection:

- The worker interview sample size should be based on the different numbers of permanent, non-permanent (including vulnerable and those in less skilled positions, such as seasonal, fixed-term, sub-contracted, apprenticeships, and agency workers) as outlined in the methodology in section 3.2.2.
- Workers within the three contract type categories should be randomly selected by the audit team only and never by management, from various locations around the employment site, and, if possible, during various shifts.
- The audit team must keep control of the selection of workers, using a variety of selection techniques throughout the audit.
- The selection of workers should be done as late as possible i.e. just before the interview is due to take place, in order to minimise the risk of workers being coached.
- Workers selected must be representative of worker type and departments within the employment site.
- The interviewer should aim to talk to a wide range of workers including potentially vulnerable workers and those in less skilled positions, taking into account:
  - The gender balance of the workforce.
  - The spectrum of ethnic, national, linguistic, migrant or religious groups
  - Youngest and oldest workers
  - Different departments, including security and canteen workers as well as production workers
  - Different designations, for example rank and file workers and supervisors
  - Worker representatives
  - Health and safety committee representative(s);
  - New employees / trainees (to evaluate training quality);
  - Workers in all pay grades (i.e. lowest pay grades, highest pay grades) in order to evaluate wages and working hours
  - Pregnant women
  - Employees from different shifts
  - Workers not wearing uniform
  - Workers who have taken leave recently

Location:

- Formal interviews should take place in a quiet, private area away from management offices with no representatives of management present.
- Informal interviews may also take place during the physical tour of the employment site, at lunch time or in breaks. Workers should be interviewed individually and in groups.
- Other suitable locations, e.g. in workers homes or in local shops and cafes used by workers.
- Interview approach and language:
- Interview approaches should be appropriate for the local situation, ideally semi-structured interviews, focus groups, ranking and/or other participatory tools should be used.

Translators
- In cases where there is a multi-lingual workforce, worker interviewers may work through a translator to access the views of workers from minority groups.
- Translators should not be used to support interviews with language groups which make up 50% or more of the workforce. In these cases, the worker interviewer must be a native speaker of the language concerned.
- Translators must be independent of employment site management and must speak the language concerned.

Prioritisation of workers:
- Auditors must prioritise the protection of the workers interviewed
- Auditors should ensure that problems raised by workers are discussed with management in a non-attributable way. Auditors must ensure that the comments they report cannot be traced back to an individual worker.
- Auditors/worker interviewers should leave the contact telephone number of SIZA with all workers interviewed so that workers can alert the SIZA programme if there are reprisals or intimidation.
- The auditor should keep a confidential note of who is being interviewed.
- When workers raise issues which could be directly attributable to one particular worker and/or could result in reprisals against workers, these should be reported directly to the audit requestor (where this is not the employment site itself) for advice on how best to handle the issue at the closing meeting. If the audit requestor is not able to give guidance before the closing meeting, the issue should not be raised at the closing meeting (see Annexure 4, alert notifications).

In order to protect workers from retaliation, the names of workers involved in identifying an issue must never be divulged to the employment site, supplier or audit requestor. However, in circumstances where the best interests of the worker cannot be met without disclosure of information (for example, names of child workers who need to be removed from hazardous employment) the auditor will ensure that such details as may be required to identify workers who require immediate remediation are made known to the relevant parties, including customers of the site where appropriate.

Interview Structure:
- Introduction: The audit team should introduce themselves and communicate the purpose of the audit. They should assure interviewees that all information shared during the interview will remain unattributed.
- Confidentiality: No manager or representative of the employment site, apart from the workers concerned, should be present during any worker interview.

4.3.1.1   Individual Interviews

Individual interviews are the most effective method for gathering specific details about the work environment and for discussing issues such as pay rates, management style, discrimination, harassment, etc. Some workers feel more comfortable talking about these issues on a one-to-one basis.

Auditors should respond to any signals (verbal and non verbal) from workers and may choose to convert an individual interview to a group interview or vice versa in order to accommodate workers' needs.

4.3.1.2 Group Interviews

Group interviews enable more rapid consultation with a larger number of people. Some workers may be encouraged to talk more freely in the presence of colleagues. Group interviews can be useful at the beginning of an audit to gather information quickly to inform the audit process. Group interviews are also effective for gathering data on specific issues, and exploring the nature or scope of a finding in greater depth. Auditors should never use group interviews to discuss personal issues such as an individual's wages.

4.3.2 Management Interviews

The audit team should work through the relevant code discussing each issue area in depth with the managers. Open questions and discursive interview techniques should be used. It is important to talk to the senior managers, but also less senior managers who may have a different perspective.

4.3.3 Administrative/Clerical Staff Interviews

The audit team should work with administration staff (such as payroll clerks and welfare officers) combining interviews with document review. Management should not be present.

4.3.4 Union and Workers Representative Interviews

The audit team should discuss with union and/or worker representatives their role at the employment site. Specific attention should be paid to any training and support given by the trade union, as well as the union representatives' knowledge of collective bargaining agreements and union procedures for worker participation. The auditor should gain an understanding how the trade union is organised at a local level, its relationships with workers and management.

4.4 Document Review

4.4.1 Document Sampling

The documentation requested by the auditor should be available on-site, including payroll and records of time, safety trainings, machinery maintenance, fire equipment and hazardous materials.

Auditors should request time and payroll records for 12 consecutive months. If records for the previous 12 months are not available, the employment site should explain why this is the case. For example, the employment site has been operational for less than twelve months. From the 12-month set of data, auditors should review at least three months' worth of consecutive records and should include records for the low season, the peak season, holiday periods and the most recent period available.

The auditor should go through a comprehensive document trail including the following (this is not an exhaustive list):
- Employment site layout / floor plan
- Company policies (including but not limited to child labour, discipline, discrimination and harassment, Health & Safety etc.)
- Government Inspection Reports, e.g. sanitation, fire safety, structural safety, environmental compliance, etc.

- Procedures (e.g. grievance/complaints and disciplinary procedures)
- Evidence that procedures are followed
- Collective Bargaining Agreements (CBA)
- Employment contracts
- Personnel records
- Employee handbook
- Training records
- Health and safety documents:
    - Hazardous chemicals list
    - Accident book
    - Chemical log
    - Machinery inspection/service logs
    - Accident and injury log
    - Emergency action procedures
    - Evacuation plan
    - Fire log drill
    - Minutes of joint committees on health and safety
- Payroll records:
    - Pay records for high and low points of the season
    - Hours and/or attendance records
    - Evidence that payments have been made
- Piece rate records (if applicable)
- Time records
- Production records
- Minutes of meeting with workers representatives/unions
- Minutes of meetings on disciplinary matters
- Insurance, tax and other required receipts
- Permits, operating licences, Certificates of Operations, etc.
- Previous social trade audit reports/Corrective Action logs

Particular emphasis should be placed on evidence that there is a systematic approach to managing all aspects of the relevant code.

4.4.2   Document Inconsistencies

Inconsistencies between different types of documents and worker testimony should be considered a critical non-compliance and raised with the employment site management as early as possible during the audit. Management should be encouraged to provide accurate records which present the full picture of the employment site's operations for review prior to the closing meeting.

If a non-compliance related to working hours or compensation requirements is identified, the audit team should identify the context of the issue, and its frequency, the number of people impacted and the department(s) concerned both at the closing meeting and in the audit report.

4.5 Alert Notifications

Where a 'critical' non-compliance is identified, the auditor should inform the audit entity immediately of said critical status. The audit entity should formally communicate the critical non-compliance to the audit requestor and submit the alert notification on the SIZA platform within 24 hours so that agreement can be reached on the status and action to be taken. Based on this decision, the audit entity, SIZA, the audit requestor and the employment site can then work together to plan an appropriate and timely resolution to the issue.

If an auditor believes they might be at risk as a result of communicating a critical non-compliance, the audit team should wait until it is removed from that situation before issuing the alert notification.

Auditors should prioritise the welfare of workers when deciding how to inform employment site management of any critical non-compliance.

A description of how to evaluate non-compliances can be found in paragraph "4.6.1 Non- compliances, Observations and Good Practices Evaluation".

Examples of critical non-compliances can be found in the tables in "4.6.1.1 Categorisation Examples".

4.6 Audit Team Pre-Closing Meeting

The audit team, where applicable, should meet before the closing meeting to discuss the findings of the audit (interviews, document checks, employment site tour) and identify inconsistencies, non-compliances, observations, and good practice. The analysis of evidence gathered is a pre-requisite to the closing meeting. It must be completed even if the auditor is alone at the employment site.

The audit team should prepare for the closing meeting by identifying and agreeing:

- Non-compliances found including:
    - Their status/severity (critical, major, minor)
    - Specific evidence found
    - Recommended corrective actions, how these can be verified, and a suggested timeframe for completion
- Systematic problems and issues from one-off, isolated, non-systematic issues
- The root cause of problems, where possible
- Good practice examples
- A prioritisation of issues
- Any requests for additional information or evidence

The reference Summary of Findings and Corrective Actions (Annexure 7) has been designed to provide a structure to the audit team's findings and help the audit team develop a corrective action plan and structure a closing meeting.

The reference Summary of Findings and Corrective Actions includes:
- Audit findings: Summary of non-compliances, good practice, and evidence found
- Classification of non-compliances
- Reference to the applicable code of conduct and/or law which has been contravened
- Recommended corrective actions: Auditors suggestion on how the audit findings can be resolved
- Person/party responsible for corrective action
- Verification method:
  - A desk-based follow up may be used to verify corrective actions for minor non-compliances but provide less assurance than a follow-up audit. Desk-based verification should check corrective actions through photos, copies of certificates, invoices, etc. submitted by the employment site. Desk-based follow-up cannot be used where actions need to be verified through worker testimony.
  - Follow-up audits are recommended for critical or major non-compliances or when corrective actions can be evaluated only through interviews and extensive documentation reviews (see section 5.4.1 for guidance on conducting follow-up audits).
- Timescale for completion: The amount of time required for the issue to be closed. The time allocated for corrective actions to be completed should be appropriate, realistic and timely.

The Summary of Findings and Corrective Actions should:
- Be clearly described and presented in English
- Be distributed as follows:
  - One original, signed copy for the employment site manager
  - A second original, signed copy retained by the auditor together with other audit documentation
  - A hard or soft copy to the audit requestor

4.6.1 Non-compliances, Observations and Good Practice Evaluation

Auditors should classify non-compliances, observations and good practice examples to indicate the relative importance of each. Follow-up audits are recommended for critical or major non-compliances or when corrective actions can be evaluated only through interviews and extensive documentation reviews (see section 5.4.1 for guidance on conducting follow-up audits)

Non-compliance can be categorised as:
- Minor non-compliance.
- Major non-compliance.
- Critical non-compliance.

Auditors can also note Observations and instances of Good Practice.

Non-compliances and observations should be classified according to:

- The frequency of the problem and whether the issue is an isolated occurrence.
- The potential severity of the problem.
- The probability of recurrence.
- The management system in place.
- The response of the management.

A minor non-compliance is:
- An occasional or isolated problem.
- An issue which presents a low risk to workers/ those on-site.
- A policy issue or misunderstanding where there is no evidence of a material breach.

A major non-compliance is:
- A breach which represents a danger to workers/ those on-site.
- A material breach of a code requirement/ law.
- A systemic violation of a code requirement/law.

A critical non-compliance is:
- An issue which presents imminent risk to workers' safety/risk to life and limb or constitutes a significant breach of workers' human rights, and/or;
- A major non-compliance that has not been addressed or for which no significant improvement has been made by the time of a follow up audit, in spite of supplier commitment to resolve the issue.
- An attempt to pervert the course of the audit through fraud, coercion, deception or interference.

Critical non-compliances include:
- Inconsistencies between different types of documents and worker testimony (see section 4.4.2).
- Child labour (reported or confirmed through documentation).
- Involuntary, indentured or involuntary prison labour (including forced overtime and absence of payment).
- Workers subjected to physical abuse.
- Workers subjected to sexual harassment or abuse.
- Workers in immediate danger.
- Workers not being paid at all.
- Workers subjected to discriminatory practices (e.g. during recruitment, workers are tested for medical conditions not required by law or product safety requirements, e.g. pregnancy, HIV/AIDS, hepatitis etc.).
- Union members, union or worker representatives are actively harassed, penalised or discriminated (directly or indirectly) against.
- Attempted bribery.
- Auditors denied access or obstructed from conducting a proper audit.
- Evidence of the deliberate provision of false information to auditors so as to disguise unfair labour conditions.

Critical non-compliances should trigger an alert notification (see 4.5).

An observation is:
- The identification of an opportunity for improvement.
- A possible issue which may develop into a non-compliance without further action.
- An issue which the auditor has some evidence to indicate may be present, but is not confirmed by more than one data point.

A good practice example is:
- An issue that the auditor feels is over and above the standard against which the employment site was audited.

The auditor must be able to justify his/her classification with detailed evidence.

4.6.1.1 Categorisation Examples

The below provides guidance on how to categorise different issues as good practice or minor, major or critical non-compliances. **The list is not exhaustive but should give an indication of how various issues should be considered in light of the reference guidelines and the reference code. These examples are for illustration only; auditors should still use their discretion when classifying non- compliances.**

Management Systems	
Good Practice	Employment site policies and procedures are regularly reviewed, in consultation with internal and external stakeholders, to ensure that they meet the SIZA Ethical standard.
	Management communicates the requirements of the SIZA Ethical Standard to subcontractors, and requires them to work to adhere to them.
	Management have implemented an auditing programme and audit all suppliers, subcontractors and labour providers.
Minor Non-Compliance	The employment site's fair labour policies and procedures have not been communicated to workers.
	There are no relevant written policies or procedures at the employment site, but working practices are in line with local legislation and the SIZA standard.
	Inadequate systems in place to monitor the site's own suppliers against social standards e.g. crucial elements are missing
Major Non-Compliance	Management does not keep a list of and the contracts with sub-contractors and suppliers.
	There are no policies and procedures at the employment site, and conditions are not in line with local legislation and the SIZA standard.
	There is no system in place to monitor the site's own suppliers against social standards
	There is no person responsible/ appointed for communicating, implementing and checking compliance against ethical code requirements
Critical Non-Compliance	Management openly flouts the law despite knowledge of their responsibilities.
	Management attempted to bribe the auditors.
	False records were provided to the auditors or management refuse to give true records to auditors.
Forced, bonded, indentured and prison labour	
Good Practice	The employment site works with the government on a scheme for the rehabilitation of offenders, employing prisoners to build their skills before release.
	Employee handbooks explain the process for workers to give notice if they wish to leave employment.
	Workers interviewed are able to describe the process for giving notice.
	Workers have access to no-interest loans. Where used, workers have agreed loan amounts and repayment terms compliant with applicable legislation and in writing, have a copy of their agreement, and workers clearly understand the repayment terms and conditions.

Minor Non-Compliance	The process for workers to give notice is not effectively communicated in a language workers understand or a mechanism they can access.
	There is a policy on forced, bonded or involuntary prison labour in place but it is not communicated to the workforce or otherwise inadequate (does not contain all elements)
	A handful of personnel files do not contain evidence of workers' written consent to deductions.
	Monetary deposits are taken from workers (e.g. for accommodation or PPE).
Major Non-Compliance	Prisoners work voluntarily, but are not paid at least the legally applicable wage for all hours worked.
	The employment site restricts the movement of workers (e.g. workers cannot go to the toilets freely; workers cannot take their rest breaks; gate passes, toilet cards, aggressive prevention of movement, intimidation). This is valid for both the employment site and/or dormitory areas.
	No/ Inadequate management awareness of the social and ethical standards required / ETI base code
	Unreasonable notice requirements or financial penalties for leaving. (e.g. the final payment for workers who leave employment is withheld for one month before being paid).
	Deductions not stipulated in law take workers below the legal minimum wage.
Critical Non-Compliance	Prison workers (or any other worker) have no choice about whether they work or not.
	Workers are working to pay off a debt to their employer and have no choice about their work and/or feel unable to leave.
	Workers are unable to leave employment because their deposits or other monies they are owed are withheld, or because management refuses to give workers their original identity papers.
	Workers are not paid at all.

Child labour

Good Practice	The employment site has a robust age verification process, including stringent checks on the validity of documentation and a requirement for two forms of photo ID.
	Young workers are registered with local authority where required by local legal requirements.
	Management takes steps to ensure suppliers are aware of child labour policies and carries out regular checks on supplier sites to ensure that there are no children employed.
	The employment site has a robust young worker management system in place, which ensures that young workers do not work in hazardous positions, at night or longer than they are supposed to as specified by the law.
Minor Non-Compliance	A handful of personnel files do not contain a copy of country appropriate age verification documentation.
	The personnel files of young workers do not contain written consent from a parent or guardian (if required by law).
	The employment site has no formal policy on child labour.
Major Non-Compliance	Management do not know the minimum legal working age in their country and/or how to verify age of workers.
	The employment site does not have any age verification process when recruiting new workers.
Critical Non-Compliance	The employment site consciously employs child labour and is complicit in forging documents.
	Child workers have presented fake ID cards during the recruitment process and employment site failed to spot them.
	There are one or more children working at the employment site.
	Young workers engage in hazardous, night or overtime work.

	The employment site refuses to engage in a proper remediation programme for child labourers.

Freedom of association and the effective recognition of the right to collective bargaining	
Good Practice	Management pays representatives for the time they spend carrying out their representative functions.
	Worker representatives are allocated time every month to discuss union matters with union members. This is over and above normal union commitments.
	Management actively engages in day to day conversations with workers to understand their needs and suggestions.
	The union (or parallel means) has been effective in defusing disagreement between workers and management. They have successfully negotiated conditions that are over and above legal and industry norms.
Minor Non-Compliance	Workers do not have a copy of their union dues deduction agreements but workers report knowing about these deductions and have given their written consent for these deductions to be taken.
	Management sometimes postpones trade union meetings during peak production Periods.
	The employment site does not provide union representatives with adequate facilities for them to carry out their activities.
	Workers are unaware of how to raise issues with management or they are unaware of who their representatives are.
Major Non-Compliance	Information relating to collective bargaining agreements is not circulated to workers. Management does not permit union/committee notices to be posted publicly on notice boards.
	Management does not restrict the activities of trade union representatives, but do not pay them for reasonable time spent on union activities.
	Management does not allow regular trade union meetings to be held.
	The employment site does not comply with collective agreements.
	Collective Bargaining Agreements are not confirmed in writing.
Critical Non-Compliance	Management prevents workers from organising themselves.
	Membership of trade unions is prohibited and/or workers are prevented from becoming members of a union.
	Management actively harasses, penalises or discriminates (directly or indirectly) against union members, union or worker representatives.

Discrimination, harassment and abuse	
Good Practice	Workers' contracts of employment confirm that all workers in the same roles are engaged under the same terms and conditions. (e.g. equal pay for roles of equal value).
	Full explanations of all policies are available to all workers in relevant language(s).
	Workers understand the discipline and grievance procedures of the employment site and report that they are fair and easy to access.
	When observing interaction between workers and workers and management, there is a supportive atmosphere. Workers are supported to improve their performance in a helpful manner.
	Workers think that promotion is possible and open to all. They can provide examples of where this has happened in the past.
Minor Non-Compliance	The employment site does not have written policies on discrimination, harassment, or abuse.
	There is an inadequate whistleblowing procedure e.g. not communicated to workforce
	Discipline and/or grievance procedures are not communicated to workforce
	Management and/or supervisors do not understand/follow the discipline and/or grievance procedures.
Major Non-Compliance	Workers feel discriminated against by management and/or other workers.
	Workers are shouted at by management.
	Any evidence of discrimination action against union members or worker representatives in e.g. wages and benefits including training / promotion / remuneration are not fair/ equal
	Different wage rates based on age for workers that does the same work and skill set and it is contrary to local law
	There's evidence of discrimination based on race, origin, ethnic group or religion in company's hiring practices
	Site requires medical / health tests for workers in recruitment process (this is not allowed by law)
	Management uses fines as a disciplinary measure.
Critical Non-Compliance	There is evidence of sexual, physical or verbal abuse.
	Discrimination in recruitment is practiced e.g .age, caste, disability, ethnic and/or national origin, gender, membership in unions, political affiliation, race, religion, sexual orientation, marital status, family responsibilities, social background.
	During recruitment, workers are tested for medical conditions not required by law or product safety requirements, e.g. pregnancy, HIV/AIDS, hepatitis etc.
	Workers are dismissed when they become pregnant.
	Workers are fined for disciplinary reasons; such as being late for work
	Workers are subject to different treatment and/or terms and conditions and/or different working conditions based on criteria which do not relate to skill or merit e.g. age, caste, disability, ethnic and/or national origin, gender, membership in unions, political affiliation, race, religion, sexual orientation, marital status, family responsibilities, social background or other personal characteristics.

Health and safety		
Good Practice	Management provide health and safety training for all workers both on the employment site and those engaged in work on other sites on behalf of the employment site.	
	Management takes steps to prevent accidents before they happen. Use H&S information to refine systems and take action to improve overall process.	
	The employment site has a functioning H&S committee with a high proportion of workers, which meets regularly with management and is very effective in managing H&S on site.	
	Health and Safety training is conducted for all new workers and repeated periodically for all workers to ensure that they are aware of risks, changes to their working environment or new requirements.	
Minor Non-Compliance	**Fire/Emergency Evacuation:** Evacuation plans are not posted for workers to see. Incomplete/absent records from fire evacuation drills in facility and/or accommodation. Fire extinguishers are not installed at correct height/other non-functional requirements are not met.	
	Housekeeping: Poor or inadequate lighting in production or other areas Inadequate and/or unhygienic facilities for washing and/or drying hands No testing of water potability Isolated failures to carry out medical examinations No asbestos assessment / survey conducted on the site	
	Accommodation / Canteen: Isolated failures in maintenance in accommodation There are minor structural issues at workers' accommodation (e.g. broken windows, small cracks, peeling paint etc.) Recreational facilities are in poor condition e.g. no equipment, no cleaning, unhygienic Insufficient seating in canteen/dining area Minor issues with state of repair of worker accommodation (e.g. broken windows, small cracks, peeling paint etc.)	
	Chemical Handling: No training on safe use and/or safe handling of chemicals Unsafe practice when handling chemicals No process in place to ensure vulnerable workers such as young workers or pregnant women are not working with or in vicinity of chemicals There's evidence of hazardous asbestos present on the site	
	PPE: Management do not provide the correct PPE to workers Workers do not have or do not always wear the correct PPE for the work, chemicals and machines that they are using.	

Major Non-Compliance	**Fire/ Electrical/ Evacuation:** Emergency escape routes are not clearly signaled. Evidence of unsafe electrical wiring and other electrical equipment on site Accommodation has inadequate canteen facility / eating area or inadequate appliances for cooking for workers Unmarked / incorrect signage/ labels/ instructions for electrical equipment
	Housekeeping: Inadequate extraction in areas where chemicals are used Extremely bad ventilation, air conditioning or lighting in any part of the production area. Toilets are not hygienic and/or are not cleaned on at least a daily basis. Unsanitary/ unhygienic storage of / handling of waste / rubbish / waste water Evidence of unsanitary and unhygienic conditions in sleeping areas / dormitories There are overcrowding in dormitories There's no gender segregation in washing and toilet facilities for workers Toilets do not meet the minimum requirements set out by law (number of toilets, access, gender split etc.). Accommodation building is not weatherproof
	Canteen: Canteen and/or food storage is unhygienic. Canteen/kitchen employees have not had appropriate health checks and/or obtained appropriate hygiene certificates.
	First aid: First Aid boxes not freely accessible and/or not appropriately/adequately stocked. There is no member of staff trained in administering basic first aid
	Training: Lack of appropriate training on safe use of equipment or handling of loads No senior manager designated with responsibility for health and safety
	Transport: Workers' transport to and from work is unsafe or inadequate
Critical Non-Compliance	**Fire/Emergency Evacuation:** There are less than 2 accessible, unlocked and unblocked fire exits on each floor. There is no evacuation plan / emergency route noted and/ or unclear signage including marking of fire assembly points There's no fire exit signage Locked firefighting equipment (not accessible). There is inadequate firefighting equipment e.g. bad condition, leaks or otherwise broken
	PPE/Machinery: Machinery / equipment do not have the required safety guards and pose a direct threat to workers' lives or limbs. The employment site requires non-refundable monetary deposits from workers to get their job, protective equipment, training or other items. Certain machines that are used on site constitute a danger to a person's life or limbs
	Canteen: Accommodation is unsafe and poses immediate risk to workers' lives or limb.

	Hazardous: There's no H&S training for employees working in hazardous conditions e.g. working with chemicals / machinery etc.
	Training: There's no ongoing H&S training for all workers.
	Housekeeping: Dangerous storage of production materials causing any risks to workers' lives or health. No access to potable water. No/ inadequate availability of clean drinking water (that meets the World Health Organisation standard for potable water).
	Others: Premises are not structurally safe. There are adequate records for injuries/ accidents that occurred on site, but no analysis / root cause analysis / no action taken to remediate There are work premises that are structurally unsafe (e.g. major cracks observed)

Wages, benefits and terms of employment	
Good Practice	Workers are paid regularly, at least once per month and in line with their contract of employment.
	Work outside normal hours (e.g. at night or at weekend) is paid a premium over and above local law and/or industry requirements.
	Workers are paid above legal requirements and industry standards.
	Workers are able to significantly increase their earning potential through a production bonus or other bonus scheme.
	All workers have a signed copy of their contract of employment and this reflects how their terms and conditions operate in the place of employment.
	The contract is written in their native language and details their regular hours, remuneration, notice period and all other applicable terms and conditions.
Minor Non-Compliance	Workers are dependent on overtime pay to achieve total take-home pay that allows them to meet their basic needs and provides some discretionary income.
	Workers have a copy of their contract, but do not understand some of the key applicable terms and condition.
	There are isolated instances of legally required allowances, bonuses or benefits not being paid for some employees
	Excessive wage deductions made from workers salary, but does not take below worker's minimum wage
	Individual payroll records are missing or incomplete (assuming this is due to human error rather than falsification or hiding of records).
	Workers report that mistakes in their pay packages are common, but they are rectified quickly.
Major Non-Compliance	Workers on probation or trainees are kept in these positions for prolonged periods to prevent them being paid the same as their permanent or qualified counterparts.
	There are inadequate employments contracts in place (e.g. missing crucial elements e.g. remuneration / hours, working place, legislation applied, terms of employment (permanent etc.) or other ILO minimum requirements).
	Workers are fired and re-hired, or kept on temporary or agency contracts in order to avoid providing them with employment rights under the relevant national law.

	Employment contracts changed without communication to workers (imposing additional terms or requirements on worker after employment contact signed)	
	The employment site requires monetary deposits from workers to get their job, protective equipment, training or other items.	
	Workers were not provided with a copy of their contract of employment or are not clear on what their terms and conditions are.	
	Wage slips do not detail rates payable, number of hours worked (standard and overtime) and any deductions.	
	Wage slips are not in a language workers understand.	
	Legal overtime premiums are not paid to workers.	
	Workers are not participating in all benefits schemes required by law.	
	Late payment of wages for some or all workers	
	Workers report that mistakes in their pay packet are common, and they are difficult to rectify and/or it takes a long time.	
	Workers are underpaid for the time that they have worked (i.e. overtime)	
Critical Non-Compliance	Workers have unauthorised or illegal deductions made from their wages. Wage deductions which are made without worker's written permission e.g. food allowance deductions / accommodation deductions etc.	
	Ongoing instances of legally required leave payments not being paid or insufficient, e.g. annual, maternity, paternity leave	
	Continuous instances of non-payment of sick leave	
	Money is deducted from workers for payment of Unemployment Insurance Fund (UIF), but the company does not pay the premiums into the UIF at the Department of Labour.	
	No maternity / paternity leave given to employees or other legally required leave (as required by law)	
	Workers are not paid at all	
	Inadequate contracts for agency workers resulting in unprotected employment or salary / benefits status for workers	
	There is verifiable evidence that records have been falsified	

Working hours		
Good Practice	The employment site has a robust system for recording working hours and uses this information to monitor and control overtime.	
	Workers always receive the legally mandated number of rest days in a period.	
	Workers are able to earn above minimum and/or industry standards whilst hours are controlled within legal requirements.	
	Though there are still challenges with controlling overtime within legal limits, management are improving productivity and HR systems to begin to reduce working hours.	
Minor Non-Compliance	Rest days are occasionally cancelled due to production back-logs.	
	There are minor gaps in time records	
	There is no clear policy on overtime working	
	Overtime exceeds relevant legal limit, in isolated cases	
	Workers ability to take paid leave is restricted or non-existent.	
	Workers do not receive the legally mandated breaks during their working shift.	

Major Non-Compliance	Workers are required to use a toilet card system or other restrictions are imposed on them in order to take a toilet or other kind of break.
	Working hours (including all applicable overtime) regularly exceed the legal limit or the code of conduct maximum (whichever provides the greater protection).
	Workers are not able to take public or national holidays off work and are not provided with compensatory rest.
Critical Non-Compliance	Management refuses access to true hours records.
	There is verifiable evidence that records have been falsified.
	Overtime is compulsory.
	Workers work excessive hours that pose a direct risk to their health and safety.
	Workers do not consistently receive at least one rest day in seven.

4.7   Closing Meeting

The purpose of the closing meeting is to go through the findings, agree on them and to agree on a corrective action plan which sets out areas for improvement, actions and timeframes.   Corrective actions should focus on long term sustainable solutions which take account of the root cause of any problem. This meeting should involve all those attending the opening meeting and should:

- Reconfirm the purpose of the assessment.
- Recognise good practices.
- Agree any non-compliances.
- Suggest corrective actions, timing, and responsibility (with management).
- Record non-compliances which can be corrected immediately.
- Answer any questions management have.
- Explain when the full report will be completed and who it will be sent to.
- Get sign-off on the Summary of Findings and Corrective Actions by both auditor and employment site.
    - A copy of the corrective action plan (CAPR) should be left with management.
    - The corrective actions should include a timeframe for completion and the type of verification needed.
- If the Summary of Findings and Corrective Actions is not agreed, the auditor should leave a copy with the employment site and report disputed points to the audit requestor, copying the employment site.
- Auditors should not change their opinion on findings after the CAPR has been discussed and signed off. If they want to check some facts/legislation after the audit before they issue the final report, they have to convey the message as such to the supplier during the closing meeting.

5.   AUDIT OUTPUTS

5.1   Audit Reports

The context, findings, issues and actions against each area of the audit standard used should be reported to the audit requestor.

The audit report must be completed online on the SIZA platform and must be written in English to ensure that it can be shared with various stakeholders, as well as in the language of the management wherever this is possible. The report should be published on the SIZA platform to the audit requestor within 10 business days of the audit.

For each provision of the audit standard, the report should set out:
- Description of the current situation, including how specific requirements are managed by the employment site
- Provide evidence and information to substantiate the findings
- For each non-compliance or observation, the report should provide a:

- Description of the non-compliance or observation, its frequency and the number of people concerned
- Evidence found to substantiate it
- Classification to applicable law, code of conduct, etc.
- Recommended corrective action with a timeframe for completion, responsibility and verification method required.
- Keeping in mind that the Audit Report is visible to global markets it is important to make sure it is well written and without spelling and language errors.

The report should not include any information that could be used to identify specific workers – such as names, ID numbers, job descriptions and/or work location. However the exception to this requirement is where the best interests of affected workers (i.e. working children) are served through disclosing their identities. Where it is imperative to pass on the identity of a worker in order to guarantee their welfare, this should be done using the **reference Supplementary Audit Information (Annexure 6) which is available in electronic copy.**

The report should include photos of the employment site
such as:
- Outside general overview
- Inside general overview
- Various stages of the manufacturing process
- Safety equipment
- Machines guards
- Drinking water
- First aid equipment
- Break room / staff room
- Toilets and showers as applicable
- Dormitories where applicable
- Canteen where applicable
- Kitchen where applicable
- Best practices which can be photographed
- Non-compliances which can be photographed.

5.2   Supplementary Audit Information

Auditors may feel the need to produce a separate, supplementary report for the audit requestor containing:
- Information too sensitive for the audit report
- Concerns which cannot be substantiated through evidence and/or interviews
- Attitude of management towards the non-compliances or the audit process as a whole.

Supplementary reports may be appropriate:
- If workers appear to be under undue pressure from management on the day of audit
- If workers appear to have been coached
- If management was obstructive or reluctant to accept findings and the need for remediation
- Where the auditor has concerns about the possibility of double books or falsified records
- Where sensitive issues could not be discussed during the closing meeting because of a potential risk to workers' wellbeing but it is in the best interests of affected workers (for example, working children) to disclose their identity.

This type of report may not be appropriate where the audit requestor is the employment site itself. A reference **supplementary audit information** is available in Annexure 1.

5.3   Long term Improvement Plans

Improvement Plans must be uploaded to the SIZA Platform under the section for Improvement Plans so that implementation can be monitored. Monitoring must be done by the SIZA office in conjunction with the Audit Entity. In cases where suppliers do not adhere to the improvement plan submitted, their Audit confirmation Letter will be cancelled.

5.4   Information Management

The audit reviewer should complete the review and the audit must show "approved" on the SIZA platform within 5 business days after the completion of each audit report. The platform will facilitate the publication of the following documents which will be available to the audit requestor/SIZA member:

- The Pre-Audit Employment Site Profile
- The completed audit report, including photos
- Summary of findings and corrective actions

Supplementary documents such as the following will need to be sent by the audit entity to the audit requester:
- Supplementary audit information where applicable
- Copies of any alert notification that were issued during the audit.

The auditor or audit organisation should:
- Be available after the audit to further clarify or explain decisions and ratings to the employment site and or audit requestor as needed
- Have an appeals procedure should the employment site or audit requestor challenge one of the findings and in case of any complaint by the employment site against the auditor.

5.4.1   Audit Records

All documents, hand written notes, signed Summary of Findings and Corrective Actions and audit reports should be retained by the audit entity for reference for at least three years after the audit until the Audit Confirmation Letter expires.

It is recommended that the auditor retain copies of at least the following documents:
- Official documents on legal status of the company (business licence)
- Insurance policies/certificates (relating to buildings and people)
- Blank Employment contracts (at least in blank format)
- Payroll sample (at least in blank format)
- Risk assessments employment site?
- Collective bargaining agreement
- Evidence relating to non-compliances, wherever possible.

If copying facilities are not available, auditors may photograph these documents.

All data and privacy laws prohibiting copies being made of certain documents should be respected.

5.5   Audit Follow-up

The audit follow-up focuses on the corrective actions agreed during the audit and closing meeting.
- The auditor will be responsible for verifying whether actions have been taken and recording verification of actions.
- For corrective actions where desk-based verification is adequate, the auditor will review evidence submitted (see section 4.6).
- Where a follow-up audit is required, for example on issues surrounding working hours and wages or where the original issue was raised by workers, the length of time taken at the follow- up should be related to the number and severity of issues to be verified.

If one person is carrying out both the auditor and worker interviewer roles at the follow-up audit, person **must** be of the same gender as the majority of the workforce.

5.5.1 Follow-up Audits

Follow-up audits are recommended for critical or major non-compliances or when corrective actions can be evaluated only through interviews and extensive documentation reviews.

- A full follow-up audit should include a full review of all areas of the standard audit process, including the complete re-sampling of documents, conducting interviews and the employment site tour. The auditor should focus on identifying changes which would address issues raised in the initial report, but also investigate potential additional issues. This must be undertaken by a Lead auditor.
- A partial follow-up audit does not include a full review but only focuses on the issues identified in the corrective action plan. This can be undertaken by an associate auditor.

Follow-up Audit Guidance:
- The audit should be carried out once the deadline for addressing all of the issues has passed.
- Follow-up audits generally take place within six months of the date of the initial audit.
- A follow-up report should be issued. This is an updated version of the original report, with all new issues and updates to previous issues clearly highlighted.

- For all sections where non-compliances have previously been raised there should be a clear explanation of the evidence reviewed, comments on applicability and effectiveness and whether the issue is now considered closed or remains open.
- Improvements should be mentioned even if the non-compliances are not fully corrected.
- If new non-compliances are found, these should be recorded and marked as "new" and should be reported in as much detail as they would have been in the initial report.
- A desk-based follow up may be used to verify corrective actions for minor non-compliances but provide less assurance than a follow-up audit. Desk-based verification should check corrective actions through photos, copies of certificates, invoices, submitted by the employment site.

Desk-based verification cannot be used where actions need to be verified through worker testimony.

5.6   SIZA Audit Confirmation Notice

When the audit process has been completed in full, evidence of all required corrective actions and evidence need to be uploaded on the SIZA platform by the SIZA member/ employment site / supplier for the audit entity to verify and signed off in the given period specified on the online platform by the audit entity .

Only once desktop and site verification (where required) have been completed and accepted by the audit entity, will the SIZA platform issue an electronic SIZA Audit Completion Letter to the SIZA member on the platform. All Corrective Actions must be reviewed for sign off in 10 working days after it was uploaded by the supplier.

The Audit Completion Letter will reflect basic details of the site audited which include the SIZA membership number, Risk Category and Next Audit date.

5.7   Extension

The SIZA member can ask for an extension to address corrective actions. This should be done online where after approval for the extension must be given by SIZA Management.   If the extension was approved by SIZA management, the supplier will not be penalized.

5.8   Expiry of Corrective Actions

Once Corrective Actions have expired without the supplier attended to it, the supplier will be penalized through the shortening of the next Audit period.

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Glossary of Terms

Agency worker
Agency workers are workers that are employed by an employment agency but that undertake work for one of the employment agency's clients (e.g. an employment site). Agency workers are paid by the employment agency and the labour user (e.g. the employment site) will pay the employment agency a fee for the use of its workers.

Announced Audit
An audit which is undertaken on a specified date that is chosen in agreement with the employment site.

Audit Entity
Term used in the SIZA service level agreement to denote the audit entity assigned to manage the audit.

Audit requestor
Generic term referring to any entity that has requested and commissioned an audit, including the requesting entity's customers (where known) where agreements allowing such disclosure are in place.

Casual Worker
A worker who is not part of the permanent workforce, but who supply services on an irregular or flexible basis, often to meet a fluctuating demand for work.

Civil Society Organisation
Non-governmental and not-for-profit organisations that have a presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious or philanthropic considerations. These organisations include community groups, non-governmental organisations (NGOs), trade unions, indigenous groups, charitable organizations, faith-based organisations, professional associations and foundations.

Code of conduct
The SIZA set of standards concerning labour practices adopted within the fruit industry and agricultural sector and applied to SIZA members and their suppliers, employment sites and subcontractors.

Comply / compliance
To meet local labour laws and regulations and the SIZA standard.

Corrective Action
Measures taken to identify the root cause of the non conformance and remediated action undertaken to eliminate the non-compliance identified during an audit

Corrective Action Plan
A plan of action drawn up at the end of an audit that records what measures have to be taken and within what time limit to remedy the non-compliance.

Employment site
An individual/specific agricultural site, farm, packhouse etc. (including, where applicable, selected sub-contractors/domestic workers).

Follow-up audit
An audit to assess the effectiveness of corrective actions, undertaken to address issues from a previous audit. A follow-up audit can be either a full or a partial follow-up audit (see definitions below).

Full follow-up audit
An audit to assess the effectiveness of corrective actions undertaken to address issues from a previous audit. The audit should include a full review of all areas of the standard audit process, including the complete re-sampling of documents, conducting interviews and the employment site tour.

Domestic Worker
A domestic worker can be defined as a person who is paid to help with cleaning and other menial tasks in a person's home.

International Labour Organization (ILO)
The ILO is a United Nations specialised agency which seeks to promote labour rights internationally. It defines international minimum labour standards in the form of 'Conventions' and 'Recommendations' which are negotiated and developed by government, employers and workers organisations.

Initial Audit
The first audit undertaken on an employment site which assesses compliance against a specific code of conduct, or is requested by a specific customer.

Labour Law
Legal requirements developed by governments that constitute minimum requirements which must be met by employers and workers within the employment relationship. Labour laws can also be developed through collective or contractual agreements.

Labour Standards
Rules and principles defined by international organisations, governments and corporations which determine the conditions under which people should work.

Migrant Worker
A person who is engaged in a remunerated activity, who has moved to a country, province or region of which he or she is not a native, where he/she is not eligible to or does not intend to become a permanent resident.

Partial follow-up audit
An audit to assess the effectiveness of corrective actions, undertaken to address issues from a previous audit. The audit does not include a full review, but only focuses on the issues identified in the corrective action plan.

Permanent worker
Permanent workers are workers who are employed directly by the employment site and have a contract of employment that is not limited by time.

Re-audit
A new audit which is performed on an employment site that has already been audited under the same code of conduct or by the same customer.

Semi-announced audit
An audit which is undertaken on an un-specified date, scheduled within a set period, (between 2 weeks and 2 months) which is agreed with the employment site. The employment site will be informed that an audit will take place during this period but will not be informed of the exact date.

Social Audit (hereafter referred to as 'audit')
Systematic, independent and documented process for obtaining evidence and evaluating it objectively to determine the extent to which ethical/ labour standards criteria are met.

Stakeholder
Any person, company, organisation or other party that is affected by the activity and / or operations of a company.

Subcontractor
An individual or a group of individuals to whom a contractor outsources the manufacture of a product or part-product.

Summary of Findings and Corrective Actions
A summary document which provides information about all issues and other findings from an audit, as well as corrective actions and time frames for completing these.

Supplier
Any contract partner which supplies the retailer/ brand with goods or services.

Temporary worker
A temporary worker is a worker who is employed directly by the employer, but on a contract that is for a specified period of time. When the contract ends there is no obligation for the employer to continue the employment agreement.

Trade Union
A membership organisation of workers which seeks to represent the views of workers and promote/ enforce their rights within the workplace and the society as a whole. The organisation must conform to local legal requirements, and be able to engage in collective bargaining with employers and employers' organisations.

Unannounced audit
An audit carried out without prior warning to the employment site.

Verification
Examination of claims made about the actual observance of the code or standard provisions by suppliers or of claims made about the activities that a company undertakes to give effect to its code. Verification implies that participating companies must have internal auditing or monitoring systems in place.

Worker
A person working on an employment site, in any capacity.

Annexure 1

SIZA Supplementary Audit Information

1. Supplementary Report

Auditors may feel the need to produce a separate, supplementary report for the audit requestor containing:
• Information too sensitive for the audit report
• Concerns which cannot be substantiated through evidence and/or interviews
• Attitude of management towards the non-compliances or the audit process as a whole

Supplementary reports may be appropriate:
• If workers appear to be under undue pressure from management on the day of the audit
• If workers appear to have been coached
• If management was obstructive or reluctant to accept findings and the need for remediation
• Where the auditor has concerns about the possibility of double books or falsified records
• Where sensitive issues could not be discussed during the closing meeting because of a potential risk to workers' wellbeing
This type of report may not be appropriate where the audit requestor is the employment site itself.

2. Reference supplementary audit information

Supplementary Audit Information Area of concern (Description of the issue, who was involved or affected, and when this occurred)	Evidence/ Observation (A description of the evidence observed)	Related Labour Standard

Annexure 2

SIZA Audit Frequency Matrix

Overview

The SIZA programme aims to build into the scheme robust assurances of the management of risk in respect of the supply base in the South African fruit industry. The programme subscribes to the following which can be used to mitigate and manage risk:

- Visibility of a supplier
- Transparency - the supplier must be willing to share information on compliance status
- Commitment to improve – the supplier must demonstrate a commitment to improve compliance levels and continually provide information that supports this.

The programme subscribes to being improvement-led rather than audit-led and uses the SIZA Audit frequency matrix to support this position. It creates four categories of risk: Platinum, Gold, Silver, and Bronze where Platinum category has the most stringent qualifying criteria. A SIZA member will be rated according to these risk categories and can earn the right to move to a higher category where the reward for this is a less frequent audit. However, it also builds into the system a range of tools beyond the audit that if used in combination rather than in isolation, will provide more extensive cover and management of risk between audits making the programme more robust. For example, the programme will involve various verification activities such as site visits and desk-top assessments that will take place between audits. A percentage of these verification activities will focus specifically on sites that fall into the Platinum category providing an additional safety net. In addition, all sites will be required to up-date and renew their SAQ on an annual basis, part of which will include up-dating the improvement plan. This will be monitored on the SIZA data platform by the Audit Entity and SIZA Audit Oversight. Therefor while the auditing may not be happening annually or every two years for the Platinum category members, the measurement of compliance between the audits remains robust and in place.

The SIZA programme has identified various activities and actions that will be in place in order to mitigate and manage risk. While the third party audit is an important component of this, it is the following activities between audits that will support sustainable improvement:

1. **Awareness-raising**
   An informed supply base helps to manage risk through suppliers being made more aware of potential risks and means of mitigating these risks. Awareness- raising activities should be in place and ongoing. Participation in these activities can be measured and included in a supplier's risk-rating.

Tools

SIZA programme roll out workshops; DVD's; Supplier 'ethical programme' toolkit; SIZA Capacity-building and support programmes; Publications, such as the Ethical Trade Handbook, Accommodation Guide; Workplace Communication Toolkit; Training, etc.

2. Assessment (Measurement of risk)

Tools

- **Annual Self-assessment** which will be managed by the SIZA Data platform. Results of the SAQ will be measured against third party audits to ensure accuracy of the SAQ. Significant discrepancy between the information contained on the SAQ and the findings made during the audit will be taken into consideration when determining overall risk rating for the site which could, in turn, affect the audit frequency. Corrective actions identified by a supplier to correct non-compliances reflected in the SAQ will be monitored in the same way as corrective actions in a third party audit.

- **3rd Party Audit** by recognised independent audit bodies where audit reports will be uploaded onto the data platform will provide visibility and transparency to retailers, exporters, importers and the industry.

- **Verification assessment**
  o Desktop – these will be conducted random via the SIZA data platform
  o Site visits (conducted on the square root of the number of farms audited every year (for e.g. if there have been 400 audits, there will be 20 verification assessments as follows: 25% from each Risk Category)

3. **Follow up action**
   There are various tools that enable appropriate responses to the risk:

- **Corrective action plan (CAP) reports** – the Data platform will monitor progress in the completion of corrective actions (linked to issues raised in a SAQ or 3rd party audit) and include notifications of failure to complete corrective actions within agreed time frames. Each supplier will have a complete history of performance so improvement can be tracked. Failure to respond to notifications could lead to consequences such as a follow up audit, increased audit frequency, suspension or SIZA membership cancellation. SIZA Audit Confirmation letters will not be issued if corrective actions are not submitted, reviewed and approved by the auditor.
- **Audit Confirmation Letters** – It will be issued once the audit is in completed status on the SIZA platform. This will be the proof to the member that the audit was conducted and that all corrective actions were reviewed and approved, thus making the audit complete. The Audit Confirmation Letter will specify the timeframe that the letter is valid.
- **Improvement Plans** –Improvement Plans and commitments in relation to this will be monitored on the data platform as with CAP reports and enable a tracking of improvement. Employment sites can show 'improvement' on the data platform through updating their Improvement Plans annually.
- **Alert notifications** – These will be sent to the SIZA programme and relevant buyers where critical issues are identified on an employment site.
- **Participation in activities** classified as "improvement" activities which can be included on an Improvement plan, for example, specific skills training programmes that are designed to improve worker welfare in the workplace can be monitored and used to measure improvement.
- **Complaints mechanism** - a formal mechanism is in place to receive complaints from members and non-members and deal with these in an appropriate way. SIZA may send an independent third party auditor/consultant to investigate employment sites where complaints have been received.

Audit Frequency Matrix

Note: The Categorization of Non-compliances referred to in the Audit Frequency Chart is based on the SIZA Audit Process and Methodology document which makes use of the GSCP categorization.

Risk Category	Critical	Major	Minor	Action Required	Next Full audit
Bronze	1 or more	And/or >5	And/or >30	Submission of corrective actions within timescales agreed during audit; and/or follow up visit during months 0 - 6	Full audit 0 – 12 months from date of original audit. If NC's not complete as per CAP time frames **no confirmation letter will be issued.**
Silver	0	3 - 5	And/or 21 - 30	Submission of corrective actions within timescales agreed during audit; and / or follow up PARTIAL audit (using desk top evidence submitted or visit to farm to check corrective actions during months 0 – 6)	If Non-compliances complete in giving timeframe – full audit 2 years from date of original audit. If NC's not complete as per CAP time frames – full audit at the start of the next season, but no more than 12 months from date of original audit and **no confirmation letter will be issued.**
Gold	0	1 - 2	11 - 20	Submission of corrective actions within timescales agreed during audit; and / or follow up PARTIAL audit (using desk top evidence submitted or visit to farm to check corrective actions as per the agreed timeframes during the audit)	If Non-compliances complete in giving timeframe – full audit 2 years from date of original audit. If NC's not completed as per CAP time frames – full audit at start of next season but no more than 12 months from date of original audit **no confirmation letter will be issued.**
Platinum	0	0	0 - 10	Submission of corrective actions within timescales agreed during audit; and/or follow up PARTIAL audit (using desk top evidence submitted or visit to farm to check corrective actions as per the agreed timeframes during the audit)	If NC's complete – full audit 3 years from date of original audit. If NC's not completed as per CAP time frames – full audit at start of next season but no more than 12 months from date of original audit and **no confirmation letter will be issued.**

- *Take note that if the non-compliances include a long term corrective action (re living conditions etc.) which cannot be concluded and uploaded in the given period to obtain a SIZA Confirmation Letter, a Development-/Improvement Plan with timeframes has to be completed and uploaded. When the plan is uploaded and signed off by the auditor, a Confirmation Letter can be issued, but SIZA will not accept any open corrective actions. Although observations do not normally generate into CA's it must also be signed off by the auditor before Audit Confirmation Letters will be available.*

Annexure 3

SIZA Alert Notification

1. Key Information

EMPLOYMENT SITE AND AUDIT INFORMATION	
NAME OF AUDITING COMPANY	
SUPPLIER NAME	
EMPLOYMENT SITE NAME	
COUNTRY	
AUDIT DATE:	
DATE OF ALERT:	
LEAD AUDITOR	
ISSUE AREA(S)	

2. Details of critical non-compliance(s)

Critical non-compliances should be presented in a consistent format, with sufficient detail concerning the issue(s) and its context to enable useful remediation discussions to begin. A Table should be completed for each issue found.

CRITICAL NON-COMPLIANCE	
CODE OR LABOUR LAW PROVISION IN BREACH:	
DESCRIPTION OF CRITICAL NON-COMPLIANCE:	
AUDITOR FINDINGS (DESCRIPTION, EXTENT OF ISSUE, ETC):	
DOCUMENTARY, INTERVIEW AND OTHER EVIDENCE FOUND:	
MANAGEMENT RESPONSE:	
PROPOSED CORRECTIVE ACTIONS:	

CRITICAL NON-COMPLIANCE	
CODE OR LABOUR LAW PROVISION IN BREACH:	
DESCRIPTION OF CRITICAL NON-COMPLIANCE:	
AUDITOR FINDINGS (DESCRIPTION, EXTENT OF ISSUE, ETC):	
DOCUMENTARY, INTERVIEW AND OTHER EVIDENCE FOUND:	
MANAGEMENT RESPONSE:	
PROPOSED CORRECTIVE ACTIONS:	

Annexure 4

Auditor / Reviewer Competency Guidelines

October 2018

1.   INTRODUCTION

SIZA is committed to establishing processes to ensure that the SIZA Code monitoring and measurement can be carried out in a manner that is consistent with the SIZA standard.

2.   THE PURPOSE

To define the requirements & describe the process for becoming a Social Auditor as well as to provide a framework for continuous professional development. In order for social auditors to be considered competent to audit under the SIZA scheme the following requirements will need to be considered:
- ✓   Level of education and qualification
- ✓   Relevant work experience
- ✓   Training and practical auditor experience

3.   THE SCOPE

This matrix shall applied to all auditors operating on behalf of SIZA – Trainee, Associate and Lead as well as Audit Reviewers.

4.   AUDITOR REQUIREMENTS

4.1   Prerequisites to become a Level 1 – Trainee Social Auditor

4.1.1.   Education
- The individual will have successfully completed a 2 – 3 year tertiary qualification with a preference in either law, social sciences or human resource management.
- To operate at this level, the incumbent should have a good reading, writing and verbal proficiency in English and Afrikaans.
- Should the candidate demonstrate equivalent experience other than stated above, submissions along with the individual's CV will need to be made to SIZA for approval by the scheme.

4.1.2   Work Experience
- The individual will have knowledge and working life experience relevant to the business and workplace being audited. A minimum of 5 years post tertiary experience with at least 3 years in the agricultural sector.
- Should the candidate demonstrate equivalent experience other than stated above, submissions along with the individual's CV will need to be made to SIZA for approval by the scheme.

4.1.3   Audit Experience (Trainee Auditor)
- The individual will initially have completed a minimum of 2 training auditor days under the direction and guidance of a competent lead auditor before attending a Basic Auditor Training Course.

- The training towards becoming an associate auditor will then involve 5 days as shadow audits (at least 2 of which are undertaken before a Basic training Course is done) as an observer followed by 5 audit days as a trainee auditor under the guidance of a Lead Auditor to be recognised as an Associate Auditor.

4.1.4   Training Requirements

Trainee Auditors will be required to complete a 3 day Basic Auditor Training Course following the first two (2) shadow audits.

This course requires coverage of the following:
- Introduction to Social Responsibility & Accountability
- Audit principles, procedures & techniques
- Management Systems & Reference Documents
- Organizational Situations
- Situational Awareness
- Introduction to Applicable Labour Laws and Occupational Health & Safety Regulations
- Audit planning; approach & methodology
- SA Based Ethical Codes & Standards such as SIZA
- Basic Interviewing skills
- Detection; evidence gathering & triangulation
- Capturing findings

An independent training assessment will need to be undertaken by the auditor to be moderated by a SIZA approved moderator and assessor.

4.2   Prerequisites to become a Level 2 – Associate Social Auditor

4.2.1   Education
- The individual will have successfully completed a 2 – 3 year tertiary qualification with a specialisation in either law, social sciences or human resource management.
- To operate at this level, the incumbent should have a good reading writing and verbal proficiency in English and Afrikaans.
- Should the candidate demonstrate equivalent experience other than stated above, submissions along with the individual's CV will need to be made to SIZA for approval by the scheme.

4.2.2   Work Experience
- The individual will have knowledge and working life experience relevant to the business and workplace being audited. A minimum of 5 years post tertiary experience with at least 3 years in the agricultural sector.
- Should the candidate demonstrate equivalent experience other than stated above, submissions along with the individual's CV will need to be made to SIZA for approval by the scheme.

4.2.3   Audit Experience (Auditor)

The individual will initially have completed a minimum of 10 auditor days of onsite audits (either for social compliance) under the direction and guidance of a competent lead auditor. Of these 10 auditor days, 5 days should be shadow audits as an observer followed by 5 audit days as a trainee auditor under the guidance of a Lead Auditor.

4.2.4   Training Requirements

Associate Auditors will be required to complete a recognised 3 day Basic Auditor Training Course as a Trainee Auditor.

The Basic Introductory course requires coverage of the following:
- Audit Principles, procedures & techniques
- Management Systems & Reference Documents
- Organizational Situations
- Situational Awareness
- Applicable Laws; Regulations & other requirements relevant to the discipline
- Audit planning; approach & methodology
- SA Based Ethical Codes & Standards
- Basic Interviewing skills
- Detection; evidence gathering & triangulation
- Capturing findings

An independent training assessment will need to be undertaken by the auditor to be moderated by a SIZA approved moderator and assessor.
In addition, the auditor will need to attend training in the SIZA standard and methodology.

4.3   Prerequisites to become a Level 3 – Lead Auditor

4.3.1   Education
- The individual will have successfully completed a 2 – 3 year tertiary qualification with a specialisation in either law, social sciences or human resource management.
- To operate at this level, the incumbent should have a good reading writing and verbal proficiency in English and Afrikaans.
- Should the candidate demonstrate equivalent experience other than stated above, submissions along with the individual's CV will need to be made to SIZA for approval by the scheme.

4.3.2   Work Experience
The individual will have knowledge and working life experience relevant to the business and workplace being audited. A minimum of 5 years post tertiary experience with at least 3 years in the agricultural sector.

4.3.3   Audit Experience
- The individual will initially have completed a minimum of 25 auditor days of onsite audits under the direction and guidance of a competent lead auditor. Of these 25 auditor days, ten (10) audit days is as a trainee auditor and fifteen (15) days as an associate auditor.
- Furthermore, of the 25 auditor days, the individual will have undertaken at least two satisfactory audits formally assessed by a competent lead auditor as part of their evaluation. Ideally, the assessment should be undertaken by two different Lead Auditors. Where this is not possible, it should be noted in the report to SIZA as to why this is not the case.
- The auditor assessment should be documented in an assessment report which will be made available to SIZA oversight for a recommendation to SIZA Management along with an audit log; training plan and curriculum vitae of the auditor. Once the reports have been approved by SIZA, SIZA management will allow access to the SIZA platform.

The assessment report should contain but not be limited to the following areas of evaluation:
- Preparation & Planning for audit
- Display of personal attributes
- Ability to read and understand people
- Demonstration of knowledge of legal frameworks

- Demonstration of knowledge of the SIZA standard
- Practical application of the laws and standard
- Knowledge of management systems
- Knowledge of technical and operational systems
- Understanding & demonstration of competence with Audit process & methodology
- Interviewing techniques
- Ability to verify and triangulate information
- Interpersonal Communication skills
- Report writing skills

4.3.4   Training Requirements
The Lead Auditor is required to complete a 3 day Advanced Auditor Training Course approved by SIZA.

This course should meet the following Requirements:
- SIZA on line training
- Demonstration of the SIZA Code
- Demonstration of knowledge of legal frameworks :
    o   Advanced Labour Law
    o   Advanced Occupational Health & Safety
- Application of Laws and the Standard
- Effective Leadership
- Managing & resolving conflict during audit
- Knowledge of management & operational systems
- Competence in Audit Process & Methodology
- Competence in interviewing techniques
- Advanced detection
- Ability to verify & triangulate
- Ability to uncover root cause
- Communication skills
- Report Writing skills

An independent training assessment will need to be undertaken by the auditor to be moderated by a SIZA approved moderator and assessor. SIZA will make available a panel of approved moderators and training courses.

4.4   Requirements for Reviewers

4.4.1   The role of the Reviewer

- The role of the reviewer is to make an objective evaluation of the audit reports, corrective action plans and verification details, identified risks and non-compliance judgements made against the prescribed standard.
- The reviewer should consider Code compliance matter, legal and regulatory frameworks and appropriateness of the report.
- The reviewer will also consider quality against the professional standards.
- To maintain the objectivity of the reviewer, the reviewer will also remain impartial to the site whose report is being moderated.

4.4.2   Role in moderation of an Audit report

- Moderation is concerned with the consistency, comparability and fairness of the application of the ethical code and audit standards across all audit reports.
- An auditor is not allowed to act as a reviewer on the same audit they conducted as an auditor. Audit reports are also to be complied by the Reviewer but by an auditor in their capacity as Lead auditor.
- Where concerns around the audit credibility or integrity of data come to the attention of the Reviewer, the reviewer will engage with the auditor to have the auditor rectify the report.

4.4.3   Education
- The individual will have successfully completed a 2 – 3 year tertiary qualification with a specialisation in either law, social sciences or human resource management.
- To operate at this level, the incumbent should have a good reading writing and verbal proficiency in English.
- Should the candidate demonstrate equivalent experience other than stated above, submissions along with the individual's CV will need to be made to SIZA for approval by the scheme.

4.4.4   Work Experience
The individual will have knowledge and working life experience relevant to the business and workplace being audited. A minimum of 5 years post tertiary experience with at least 3 years in the agricultural sector.

4.4.5   Audit Experience (Reviewer)
The Reviewer should be a qualified Lead Auditor.

5.   SIZA REQUIREMENTS FOR AUDITOR REGISTRATION & RECOGNITION

5.1   Auditor Registration

- All auditors will need to be registered with SIZA. They will need to submit / upload a valid Auditor Profile before being accepted onto the SIZA platform. The aim of the profile is to capture details of how the auditor has been assessed against the requirements and criteria for recognition as under Auditor under the SIZA scheme.
- All auditors should have a unique email address to register on the platform. This email address will be directly linked to one audit entity/ one profile. If an auditor is involved with more than one audit entity and/ or fulfills the role of auditor and reviewer, unique email addresses should be registered for each profile.
- This profile will be reviewed on an annual basis.

5.2   SIZA Recognition of Auditor Training Courses

SIZA may from time to time facilitate the provision of Basic and Advanced Auditor Training Courses as well as a SIZA platform course s.

Audit Bodies may also submit in house and formal accredited Basic Auditor (3 days) and Advanced Auditor Training courses (2 days) for pre-approval. These can be registered with SIZA and will be reviewed from time to time.

SIZA may also request that Auditors participate in or re-do certain auditor courses as determine by the requirements of the scheme.

5.3   Training Course Assessment

All auditors will be required to undertake a Basic as well as Advanced Auditor Training assessment. This assessment will be independently moderated and will need to be undertaken with the adjudication of an impartial adjudicator. SIZA will provide a list of recognised independent trainers and moderators.

These assessment may be done on-line or at an appropriate venue as arranged with SIZA.

5.4   Auditor Personality & Behavioural Profile

The required auditor personality and behavioural profile will be developed and prescribed by SIZA.

5.5   Maintaining Auditor Registration

It is the responsibility of the audit bodies auditing under the SIZA scheme to maintain the profiles of their auditors and to ensure that auditors ongoing training and development.

Where auditors do not fulfil the requirements as a result of extended periods away from auditing i.e. maternity leave, study leave or alternative work obligations, or resignation or transfer to other audit bodies, registration could be removed or suspended.

5.6   Minimum number of audits in a year

Each auditor shall undertake a minimum of 5 audits per year against the SIZA standard or 3 audit reviews in the capacity as reviewer within a twelve (12) month period.

Any auditor who does not fulfil this criteria will have their profile reviewed.

Auditors who return to audit under the SIZA standard after a one (1) year or more gap, will be required to undertake two (2) shadow audits as well as participate a refresher course in the SIZA standard, Code and / or legislation updates as well as on line training with a required competency test as determined by SIZA.

5.7   Auditor Evaluation

All auditors will be subject to one (1) unannounced or announced independent shadow audit every three (3) years. This shadow will be undertaken by a SIZA approved shadow auditor. Reports on the shadow audit will be submitted to SIZA for review on competence and audit calibration.

Audit bodies, in line with global audit and GSCP requirements, will be required to continue to conduct annual evaluation audits on each lead auditor.

5.8   Internal Audits

The SIZA scheme reserves the right to undertake an internal audit of the audit bodies at any stage to ensure that the necessary SIZA technical, support systems and procedures are in place to audit against the SIZA standard.

6.   Implementation Date

These guidelines and requirements for auditor competency will be phased in over the next 16 months and will come in to full effect from 1 January 2019.

We thank you for your support of the Programme and involvement in development our growing group of social auditors!