



SIZA ENVIRONMENTAL MONITORING & EVALUATION REPORT

Quarterly Update for Q1
2021/2022

01/07/2021 – 30/09/2021



Western Cape
Government

Agriculture

BETTER TOGETHER.

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INTRODUCTION

The Sustainability Initiative of South Africa, SIZA, provides a platform for agricultural stakeholders to ensure ethical and environmentally sustainable trade. This programme monitors care for the environment and compliance with labour legislation. With a vision of enabling South African agriculture to be a global leader in ensuring sustainable, ethical trade and environmental stewardship, SIZA aims to encourage continuous improvement in practices over time exceeding the minimum legal requirements.

In addition to an already well-established ethical (social) standard, the Sustainability Initiative of South Africa (SIZA) programme also includes a comprehensive and widely accepted environmental standard for suppliers in the agricultural sector. The SIZA Environmental Standard was developed in partnership with the World Wide Fund for Nature, South Africa (WWF-SA) and aims to assist South African suppliers in becoming compliant, while at the same time promoting environmental stewardship.

The SIZA environmental programme focuses on the sustainable management of the four cornerstones of the environment, namely soil; water; energy, materials, and waste; as well as biodiversity and ecosystems. The main objectives of the programme are to improve input efficiencies and to manage and mitigate environmental risks on both farm, packhouse and processing plant level. Requirements vary from practices to prevent environmental pollution and degradation, measuring and monitoring the efficiency with which finite resources such as water and energy are used, and ensuring that biodiversity and ecosystems are preserved into the future. The standard is structured in a way for suppliers to establish a starting point (baseline) on their journey to environmental sustainability, and to progress to setting SMART (**S**pecific, **M**easurable, **A**chievable, **R**ealistic and **T**ime-linked) targets in order to track progress, monitor efficiency, and drive continuous improvement.

With a vision of driving continuous improvement, SIZA Environmental audit is not a pass or fail exercise, but rather a benchmark for producers to measure their compliance against South African environmental laws and globally recognised good agricultural practices by driving continuous improvement. SIZA has adopted a third-party audit approach through which environmental audits are conducted by internationally recognised independent audit entities to ensure that the programme is credible and transparent throughout. With the objectives of eliminating duplication, driving a cost- and time effective approach, and providing better transparency to stakeholders on a global scale, the SIZA Environmental audit can be conducted either as a stand-alone or a combined solution audit together with the GLOBALG.A.P. Integrated Farm Assurance (IFA) standard.

As a pre-addition to the third-party audit process SIZA also developed and implemented the Environmental Second-Party Verification programme, called the **SIZA CARES programme** as part of its drive towards continuous improvement and to manage environmental risks within the agricultural sector.

Since the implementation of the SIZA CARES Second-Party Verification programme three years ago, it has already illustrated progress and successes where farmers have started to focus on measuring and monitoring their inputs. This has helped them to identify areas of improvement and to react proactively in managing their environmental risks. The SIZA CARES programme is a win-win recipe for everyone involved.

The Monitoring and Evaluation quarterly report provides insight into the various aspects related to the SIZA programme including statistics on the SIZA membership, annual monitoring activities, third-party audit outcomes, and trends related to risk factors. As the SIZA programme drives continuous improvement, this report provides a balanced view of high-risk areas as to allow SIZA and relevant stakeholders to engage and develop further capacity building and remediation strategies to sustain a continuous improvement drive within the agricultural industry in South Africa.

1. SIZA SOCIAL (ETHICAL) AND ENVIRONMENTAL MEMBERSHIP

1.1. SIZA Membership Breakdown

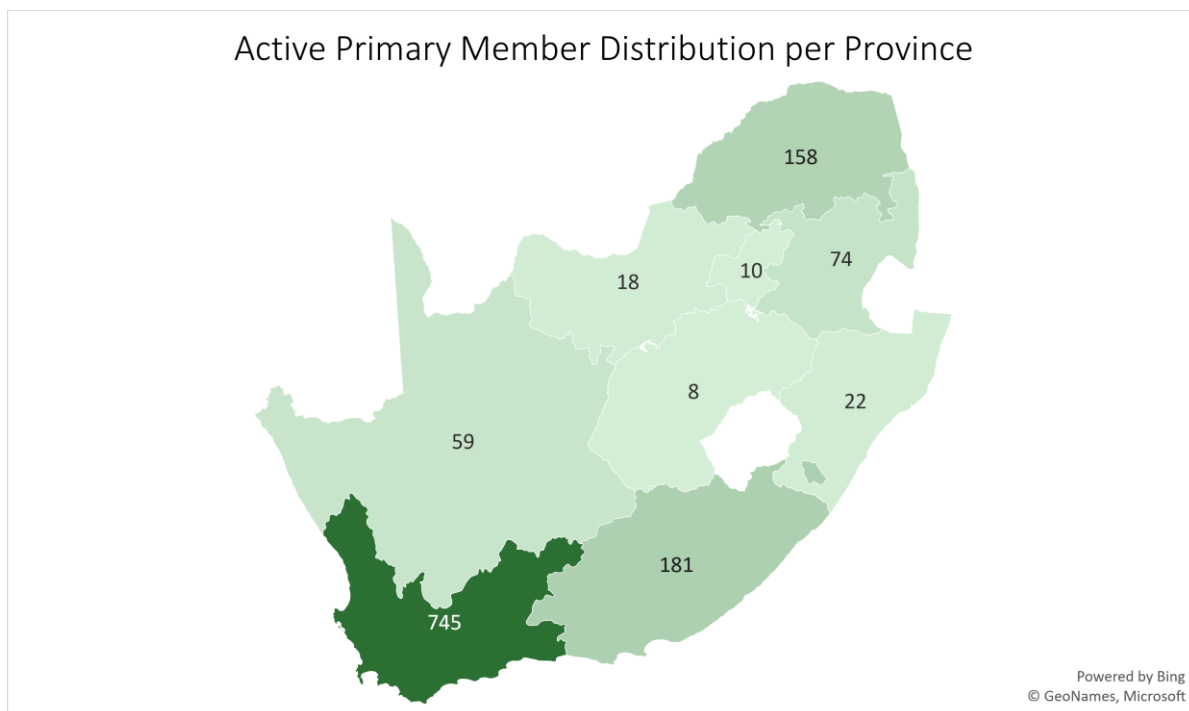
1.1.1. Active Primary Membership

Currently there are 2 140 active profiles registered on the *MySIZA* platform. As one profile can comprise multiple membership registrations (i.e. Social (Ethical) and Environmental) it is important to take the amount of registrations into consideration. Currently there are 2 102 primary members registered for the SIZA Social module, whereas 1 280 primary members are also registered for SIZA Environmental – adding up to a total of **3 382 primary registrations**.



A total of 64 new primary members registered for SIZA Social and 23 new primary members registered for Environmental in this period, leading to a nett increase of 72 members, as 15 members cancelled their profiles during this period due to farms that were sold or the duplication of accounts.

1.1.2. Active primary members per province



With the Western Cape being known for providing production stability to fruit production and being one of South Africa's most important provinces for the export of fruit products, the Western Cape records the highest SIZA membership across the nine provinces. Currently the Western Cape is home to 745 Environmental members, followed by the Eastern Cape (181) and Limpopo (158).

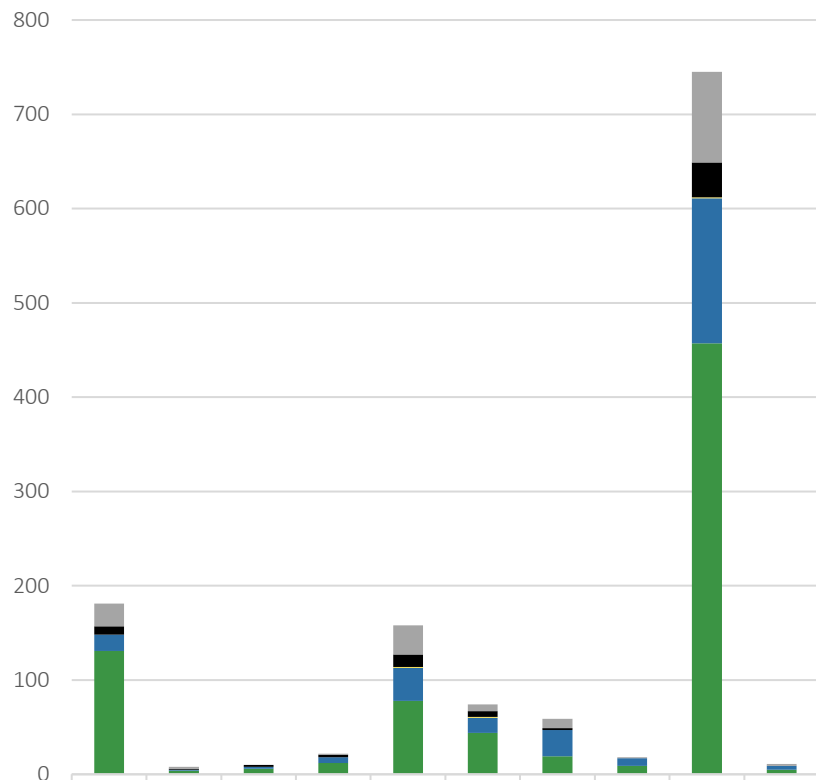
1.1.3. Active primary members by type

SIZA membership is structured into different levels to ensure that different functionalities can be allocated to the different types of membership. Secondary members (Level 4 – 6) can be linked to primary members (levels 1 – 3) who supplied to them to ensure that buyers have visibility and traceability on the suppliers who supply to them. This also ensure confidentiality and the protection of data.

Definitions as indicated below are the same for the Social (Ethical) and Environmental modules because they are two separate standards/modules.

Level 1a:	Producer
Level 1b:	Producer/packhouse Someone who owns a business that packs or processes his/her own facility and have primary farming activities.
Level 1c:	Smallholders/Emerging Growers A farm that needs to become compliant and has never done an audit and is part of the supporting compliance programme.
Level 1d:	Temporary Employment Services (Labour Brokers) A person or company that provides labourers to client companies on a temporary basis.
Level 2:	Packhouse/processing facility An independent pack house/processing facility that operates independently and packs/process on behalf of primary producers.
Level 3b:	Multisite The multisite 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. Your SIZA registration is related to your audit, and it is important to make sure that you are registered under the correct level. 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.
Level 4a:	Export agent
Level 4b:	Import Agent
Level 5a:	Retailer
Level 5b:	Minor Industry Association Industry representing under 5 000 hectares.
Level 5c:	Major Industry Association Industry representing above 5 000 hectares.
Level 6:	Not-for-Profit organisation An organisation which does not need to be linked to Level 1 member sites. For example, NGO, trade union, or other non-profit entity not requiring visibility of Level 1 member sites.
Level 7a:	Social (Ethical) Audit Firms
Level 7b:	Environmental Audit Firms
Level 8:	Training Service Providers/Consultants/Remedy Programmes Companies who are recognised by SIZA and who need to be visible as recommended programmes to the producers.

Active Primary Members by Type

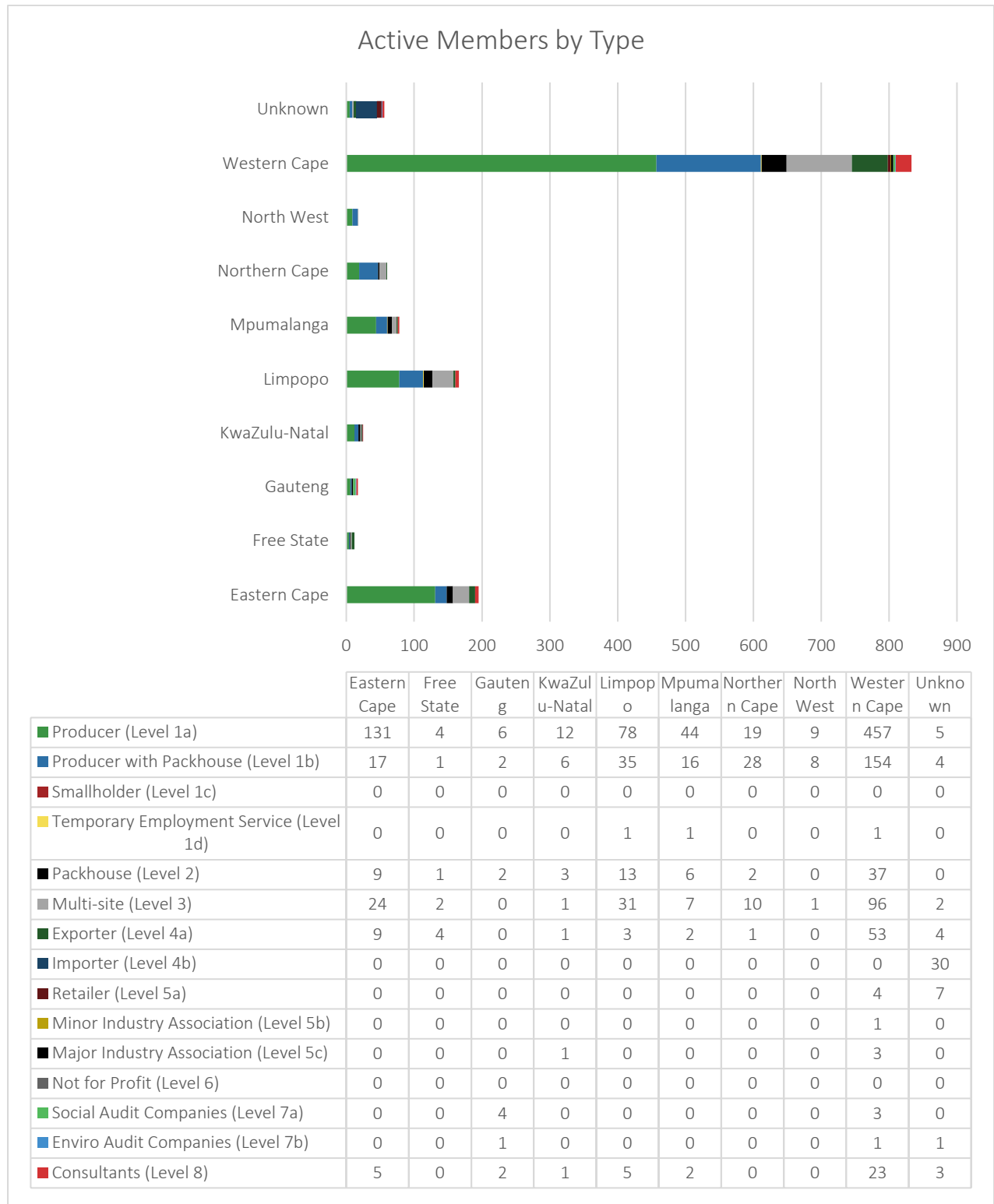


	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	Northern Cape	North West	Western Cape	Unknown
Multi-site (Level 3)	24	2	0	1	31	7	10	1	96	2
Packhouse (Level 2)	9	1	2	3	13	6	2	0	37	0
Temporary Employment Service (Level 1d)	0	0	0	0	1	1	0	0	1	0
Smallholder (Level 1c)	0	0	0	0	0	0	0	0	0	0
Producer with Packhouse (Level 1b)	17	1	2	6	35	16	28	8	154	4
Producer (Level 1a)	131	4	6	12	78	44	19	9	457	5

Level 1a members continue to make up the largest percentage of membership, and currently represents 57,49% of all primary members. Since fruit producers have the biggest representation on the MySIZA platform, out of the total registrations for level 1a members, 754 members (57,93%) are based in the Western Cape.

1.1.4. All active members by type

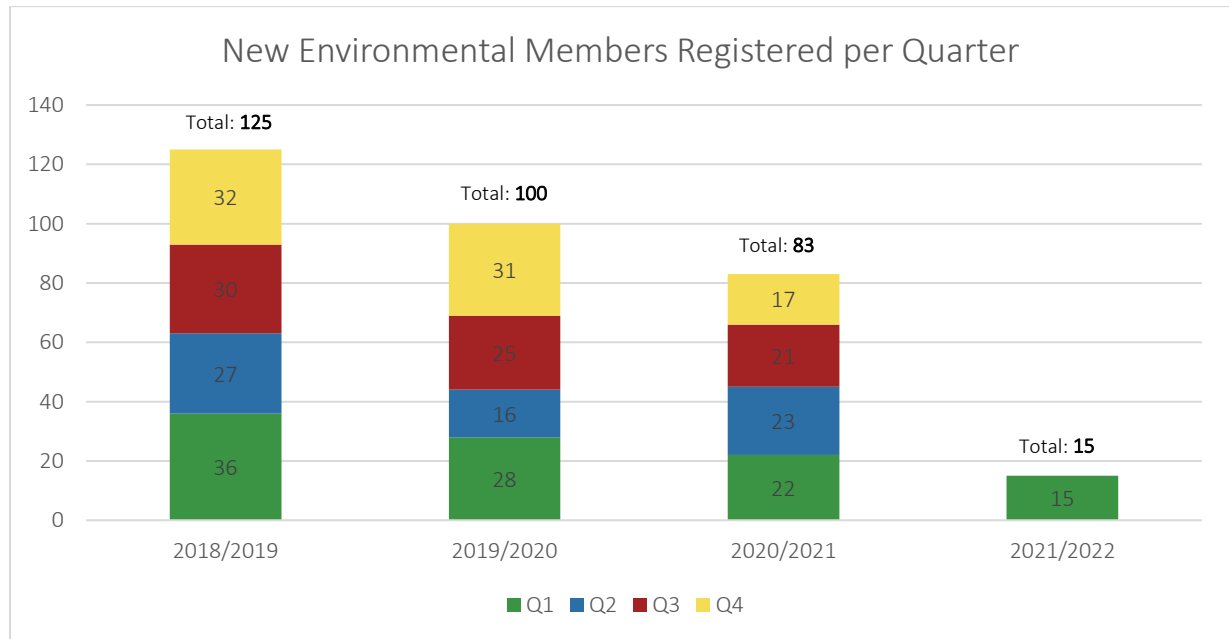
The *MySIZA* platform acts as a risk management tool for both the producer and the buyer, as secondary members (exporters, importers, and retailers) can manage risk within their supply chain by having visibility on the performance of their linked members for both social and/or environmental. Currently there are a total of 123 secondary members, (buyers/retailers, importers, and exporters) and 51 tertiary members (auditors, consultants & remedy providers) registered on *MySIZA*.



1.2. New Members and Renewals

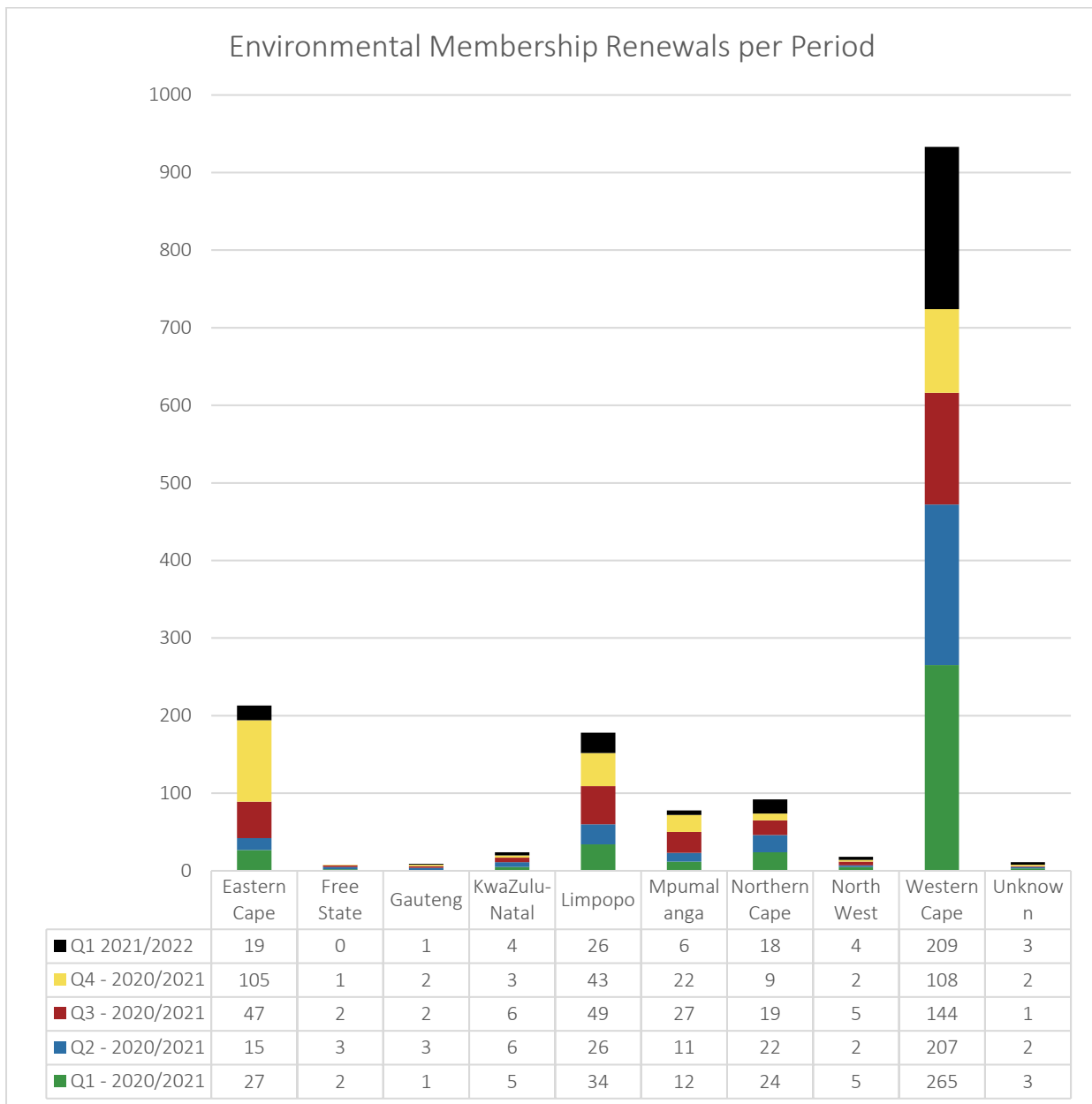
With SIZA being a multi-sector agricultural solution, the ongoing aim is to have all production units within South Africa to be registered for SIZA Social and/or SIZA Environmental as a drive towards being a global leader in ethical trade and environmental sustainability. This section indicates the growth of the SIZA membership per period. One of the reasons for this growth can refer to the fact that SIZA expanded its practices to become a multisector, agri-wide compliance programme.

1.2.1. New member registration



Since 2018, a total of 308 new members registered for the SIZA Environmental module, while 15 new members registered for SIZA Environmental during the current reporting quarter. Members who were already registered for SIZA Social (Ethical) who added the Environmental module to their profile later on, are not represented in this graph.

1.2.2. Membership renewals

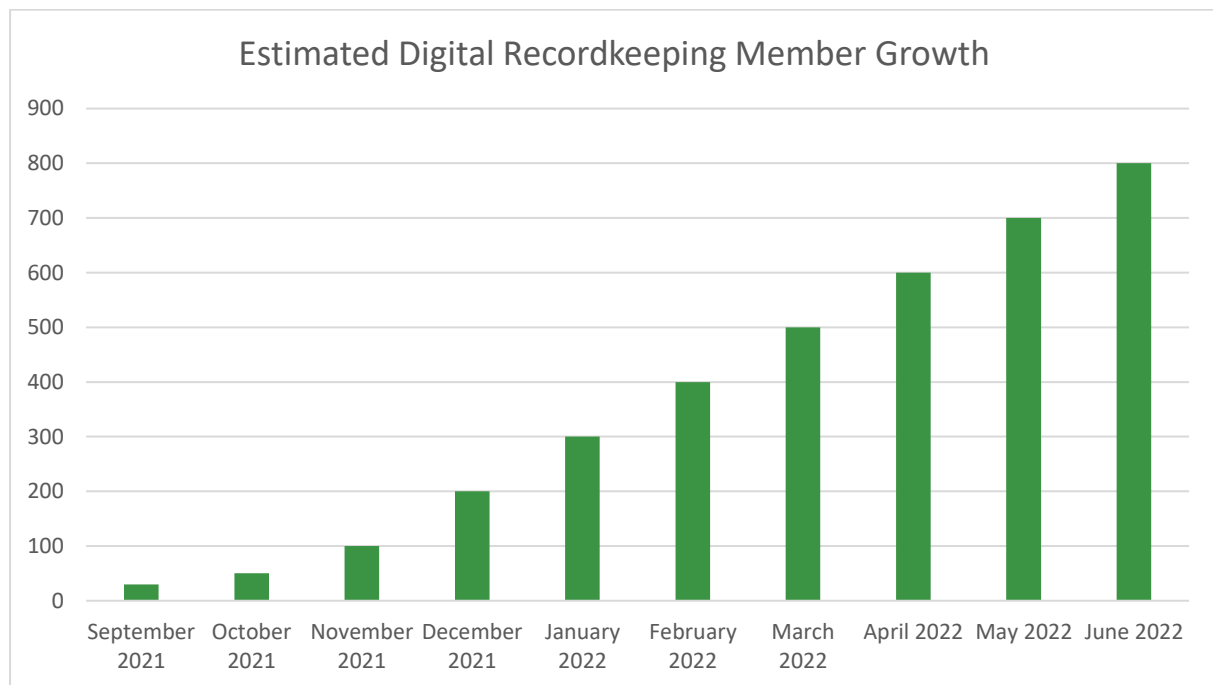


A total of 290 subscriptions that expire in Q1 of 2021/2022 were renewed in this period. 72,07% (209) of these were in the Western Cape.

1.3. Digital Recordkeeping Tool

With a vision of enabling South African agriculture to be a global leader in ensuring sustainable, ethical trade and environmental stewardship, SIZA went live with the first phase of its Digital Recordkeeping Tool at the end of September 2021. With SIZA being a multi-sector agricultural programme, the programme is available to all sectors and commodities for both local and international members. Currently there are 26 members who already signed up for the digital recordkeeping tool who will start capturing their production inputs online. Members who signed up for the Digital Recordkeeping Tool received training prior to setting up their profile, as it is important that the correct information is used from the start.

As recordkeeping and target setting form the foundation of continuous improvement, the SIZA Digital Recordkeeping Tool will enable producers to keep record of their production inputs and assess whether they are on track to meet their goals and to put practice into perspective, as standardised methods and calculations are used to track progress over time. In addition, as the majority of the data captured as part of the Digital Recordkeeping Tool also contributes to the carbon footprint of a business, phase two of the development will include a built-in functionality where members can request their carbon footprint to be calculated. Phase two of the development will commence in October 2021.



1.4. Membership per Commodity

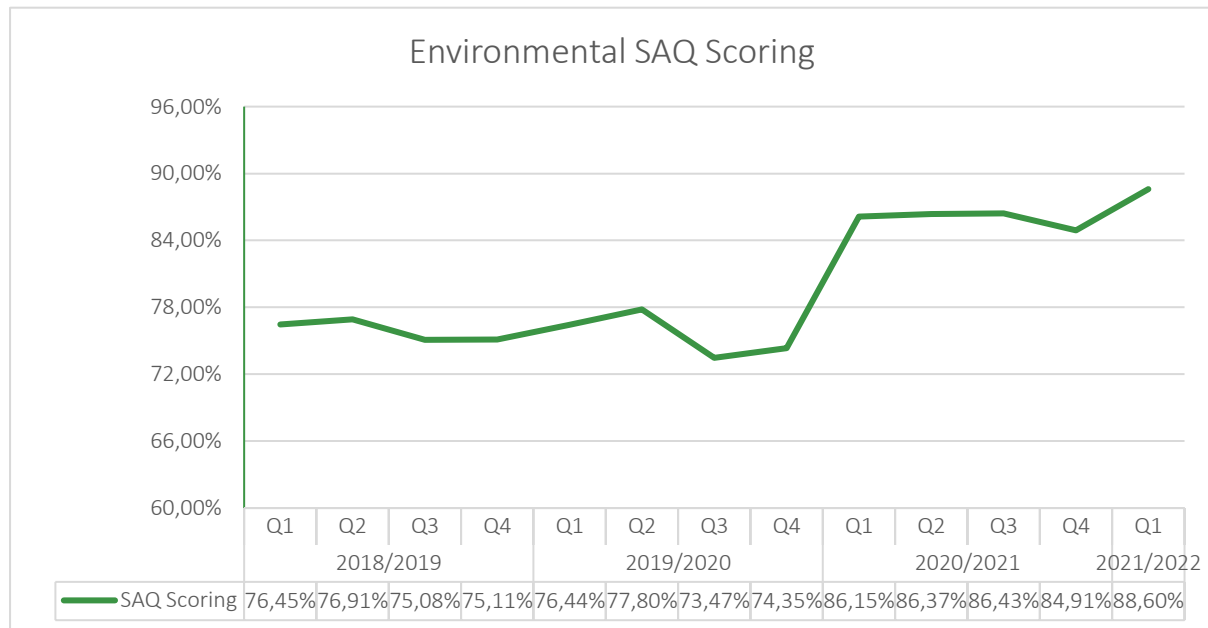
As SIZA is a multi-sector agricultural solution, the *MySIZA* platform allows for a very detailed breakdown of commodities. SIZA members have contributed to completing the data, and now that *MySIZA* has been live for a full year, all profiles have indicated their commodities as follows:

Commodity	All South Africa		Western Cape	
	Number of commodity represented in SIZA membership	% of total commodities indicated	Number of commodity represented in SIZA membership	% of total commodities indicated
Citrus	789	25,03%	334	10,60%
Pome Fruit	419	13,29%	371	11,77%
Stone Fruit	415	13,17%	387	12,28%
Subtropical	231	7,33%	13	0,41%
Bananas	19	0,60%	0	0,00%
Pineapples	1	0,03%	0	0,00%
Berries	115	3,65%	63	2,00%
Pomegranates	40	1,27%	36	1,14%
Dragon Fruit	3	0,10%	1	0,03%
Persimmons	18	0,57%	17	0,54%
Kiwis	15	0,48%	5	0,16%
Guavas	17	0,54%	10	0,32%
Granadilla	14	0,44%	4	0,13%
Figs	32	1,02%	27	0,86%
Olives	18	0,57%	18	0,57%
Table Grapes	338	10,72%	228	7,23%
Wine Grapes	195	6,19%	186	5,90%
Hops	0	0,00%	0	0,00%
Dried Fruit	23	0,73%	9	0,29%
Canning Fruit	24	0,76%	23	0,73%
Nuts & Seeds	109	3,46%	7	0,22%
Fresh Vegetables	150	4,76%	87	2,76%
Flowers & Ornamentals	22	0,70%	14	0,44%
Tea & Beverages	21	0,67%	20	0,63%
Wool / Mohair	4	0,13%	4	0,13%
Meat	23	0,73%	12	0,38%
Poultry	1	0,03%	1	0,03%
Eggs	2	0,06%	1	0,03%
Dairy Products	3	0,10%	3	0,10%
Grain, Bread & Bakery Products	13	0,41%	7	0,22%
Sugar	7	0,22%	0	0,00%
Marine	1	0,03%	1	0,03%
Seasoning & Preservatives	3	0,10%	2	0,06%
Other	67	2,13%	30	0,95%

2. SELF-ASSESSMENT QUESTIONNAIRE (SAQ)

The purpose of the SAQ is for primary members to have an opportunity for self-evaluation and to benchmark against South African legislation. SAQs are also important for the auditing process, as auditors use the SAQ information as a benchmark during third-party audits. SIZA also uses the SAQ as a between audit online monitoring tool to ensure that audit results are maintained between audits.

SAQs indicate growth and improvement year on year, as the primary members are required to complete their SAQs annually. MySIZA allows for feedback to the member by means of a risk indicator, which scores each answer according to the risk it holds.



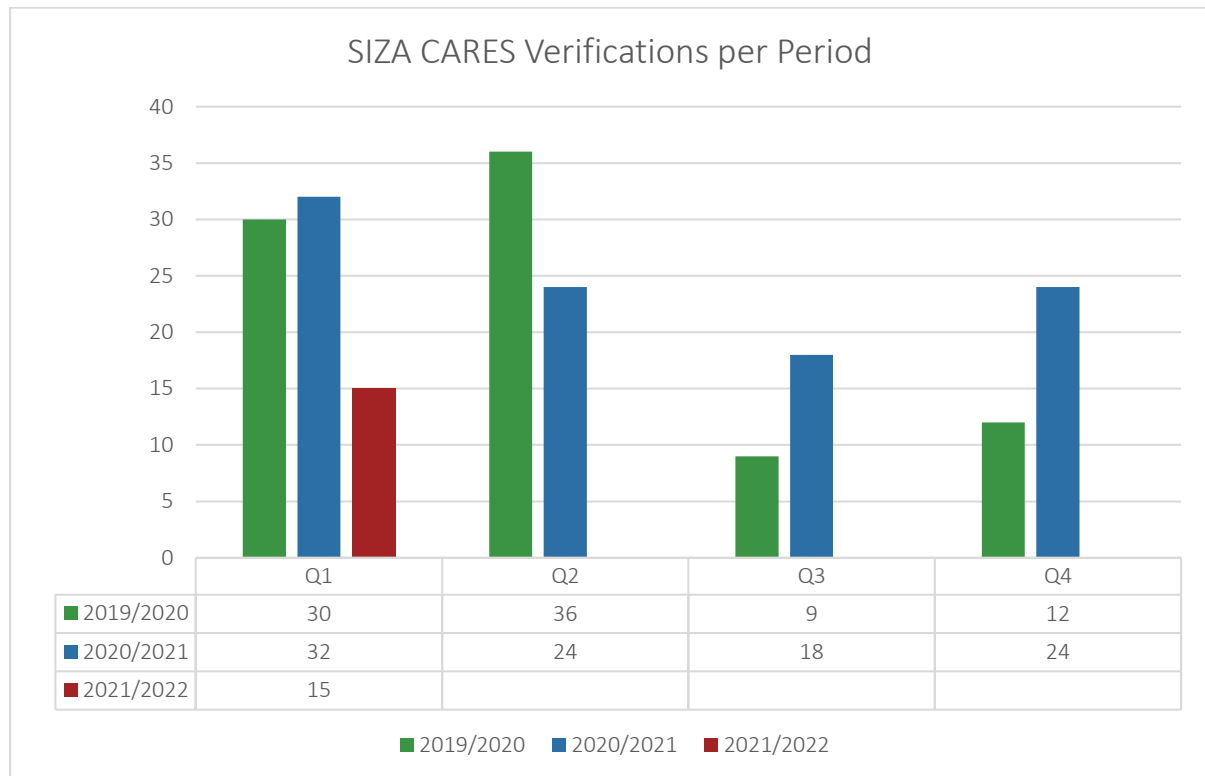
The average score for all Environmental SAQs approved in Q1 is 88,6%. This is the highest average score since the programme began. The highest score for an approved SAQ in this period is 97,43%. SIZA admin try to only approve SAQs for existing members with a risk score above 85% now, which is 5% higher than the previous year. The SIZA admin assist new members with low scores to improve their scores every year before approval.

3. SIZA CARES SECOND-PARTY VERIFICATION PROGRAMME

As part of the drive for continuous improvement, SIZA launched the environmental second-party verification programme, also known as SIZA CARES (Creating Awareness and Resilience in Environmental Sustainability) in 2019. The aim of the second-party verification process is to verify the environmental SAQ and to assist suppliers with technical support and advice to improve environmental practices.

Since September 2019 members had the option to be selected for a SIZA CARES Second-Party Verification as part of sample-based programme depending on the requirements of the market they supply. A total of 200 verifications have already been conducted by SIZA verifiers. In Q1 2020/2021 15 verifications were completed.

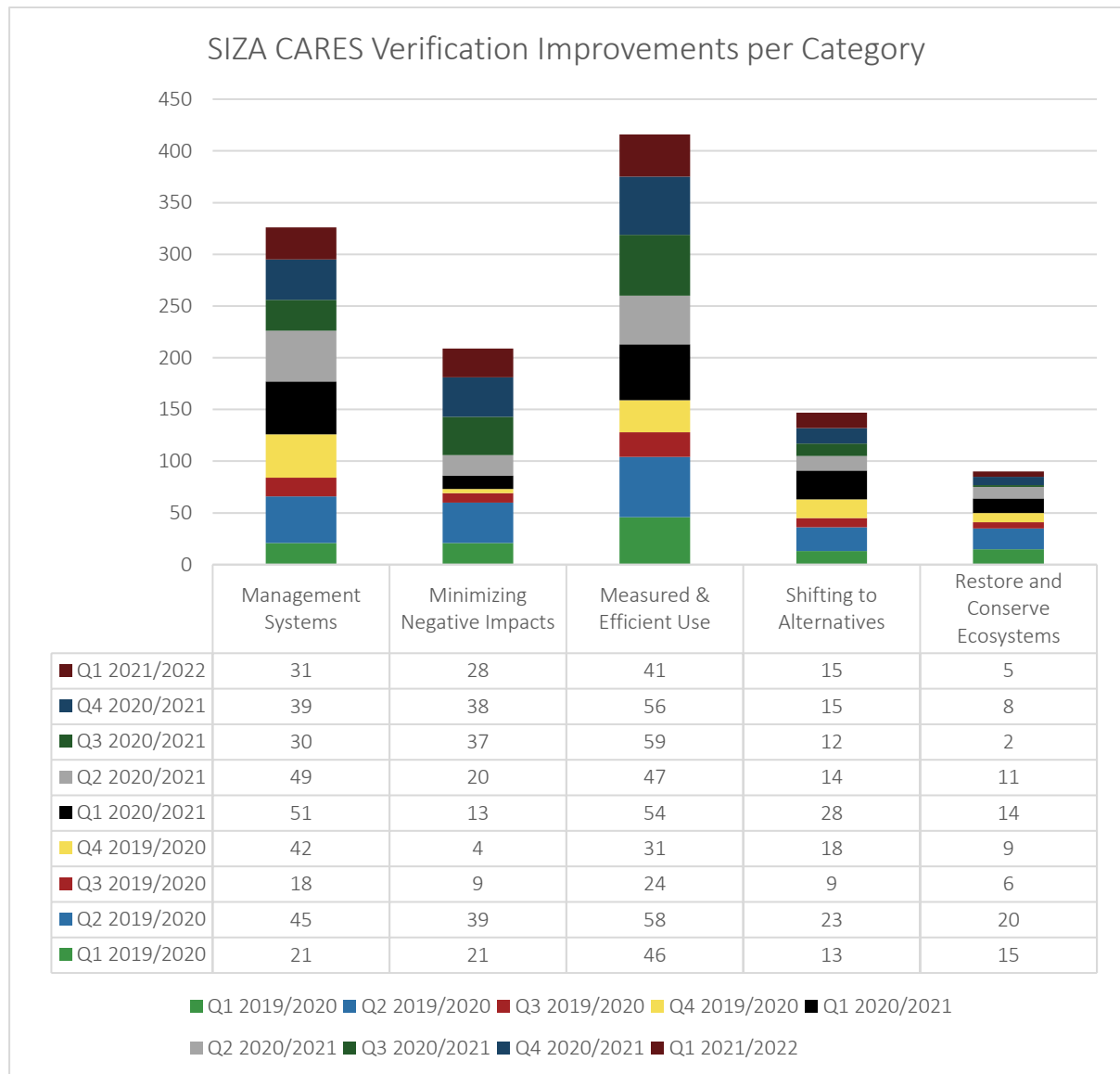
3.1. SIZA CARES Verifications per Period



As SIZA CARES site visits are designed to create awareness and drive continuous improvements, site visits are scheduled outside of peak season to ensure for optimal interaction with management. These site visits are then strategically scheduled to ensure that the availability of the environmental specialists is used optimally.

3.2. Verification Improvements

With the 200 verifications that have been conducted over the last 3 years, it has given SIZA a clear view on areas for improvement.



Management Systems and Measured & Efficient Use are the areas where the biggest need for improvements have been identified. Overall, these two sections account for 62,46% of all findings.

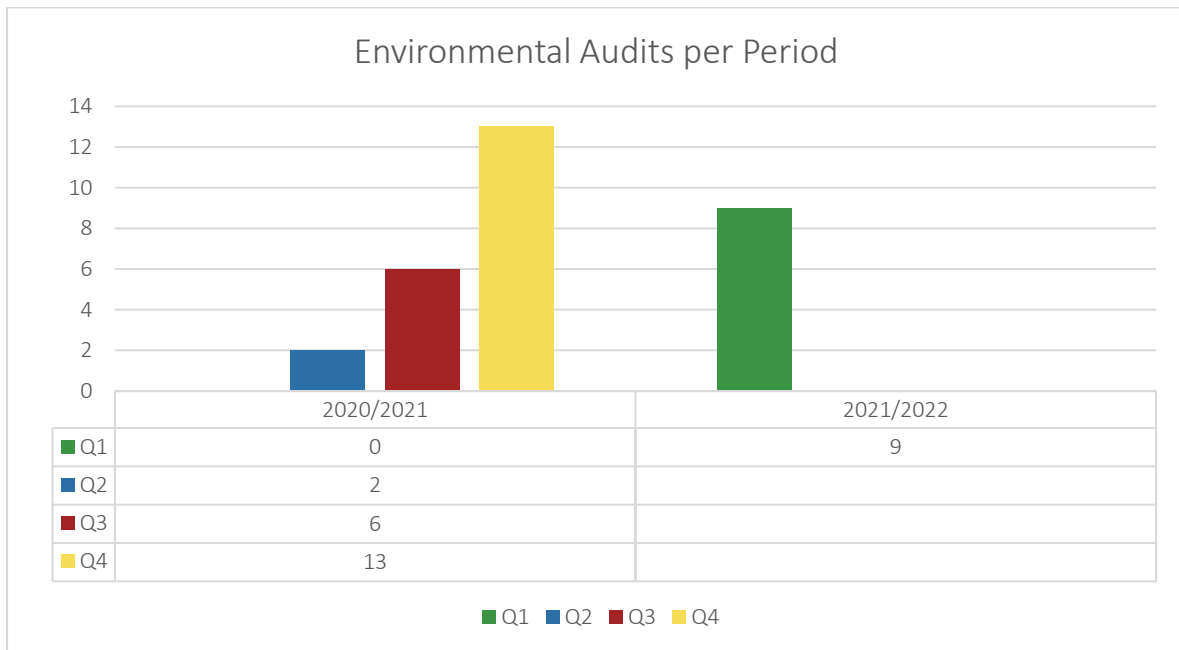
With SIZA being a continuous improvement programme, the focus is to drive improvements on any findings made during audits or verifications. The below graph shows that the majority of improvements that have been identified is being closed as time goes.

4. ENVIRONMENTAL AUDIT INFORMATION

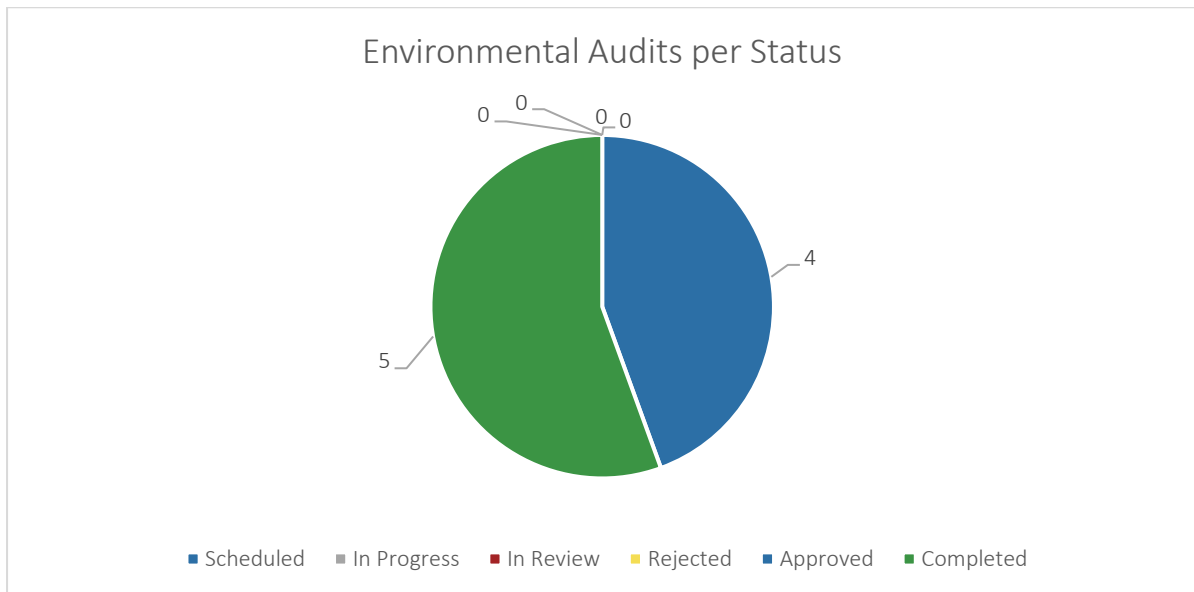
4.1. Environmental Audits per Period

SIZA adopted a third-party audit approach to allow for a credible and objective process which can be a true reflection of the audit outcome and environmental practices in a business. A SIZA Environmental audit is not a pass or fail exercise, but rather aimed at assisting agriculture to be aware of their environmental risks and to drive continuous improvement towards the implementation of environmentally friendly practices. The purpose of the third-party audit is to monitor compliance against environmental legislation through the SIZA Environmental Standard by evaluating and identifying areas within the business that are non-compliant and require corrective- and remedial actions.

With the objectives of eliminating duplication, driving a cost- and time effective approach, and providing better transparency to stakeholders on a global scale, the SIZA Environmental audit can be conducted either as a stand-alone or a combined solution audit together with the GLOBALG.A.P. Integrated Farm Assurance (IFA) standard. While the respective audits may take place at the same time, two separate and comprehensive reports will be issued, and the SIZA Environmental Audit Report will be uploaded to the MySIZA online platform to ensure visibility in terms of environmental compliance to all relevant stakeholders. For the convenience of buyers, data will also be displayed through the GLOBALG.A.P. platform.



4.2. Audits per Status

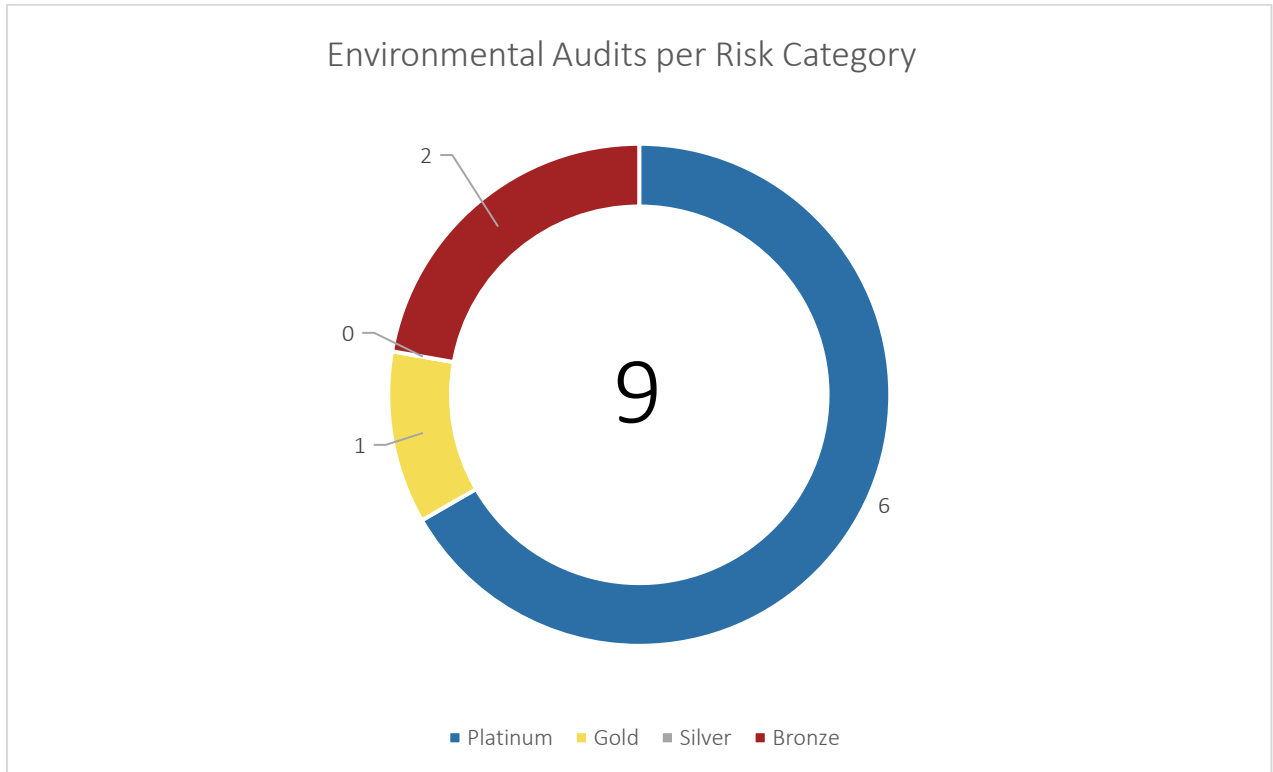


The emphasis in the SIZA programme is on continuous improvement to create better circumstances for all living and working on farms. Therefore, it is important to note that no audit confirmation letter can be issued if all corrective actions are not completed and signed off by the auditor. If audits are not in completed status, it means that the audit process is not completed in full.

Of the nine audits that were conducted during Q1, five have already been completed and four are approved and awaiting corrective actions which must be uploaded by the producer. It is important to note that timelines are allocated to all the steps in the audit process for both the auditor and the auditee.

4.3. Audits per Risk Category

The SIZA Environmental 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 the Platinum category has the most stringent qualifying criteria. A SIZA member will be rated according to these risk categories, based on the number and rating of each finding during their audit. As the business must drive continuous improvement and implement the required practices within their business, they should aim to get fewer findings and a higher rating during their next audit.



Six of the approved and completed audits for this period achieved Platinum status.

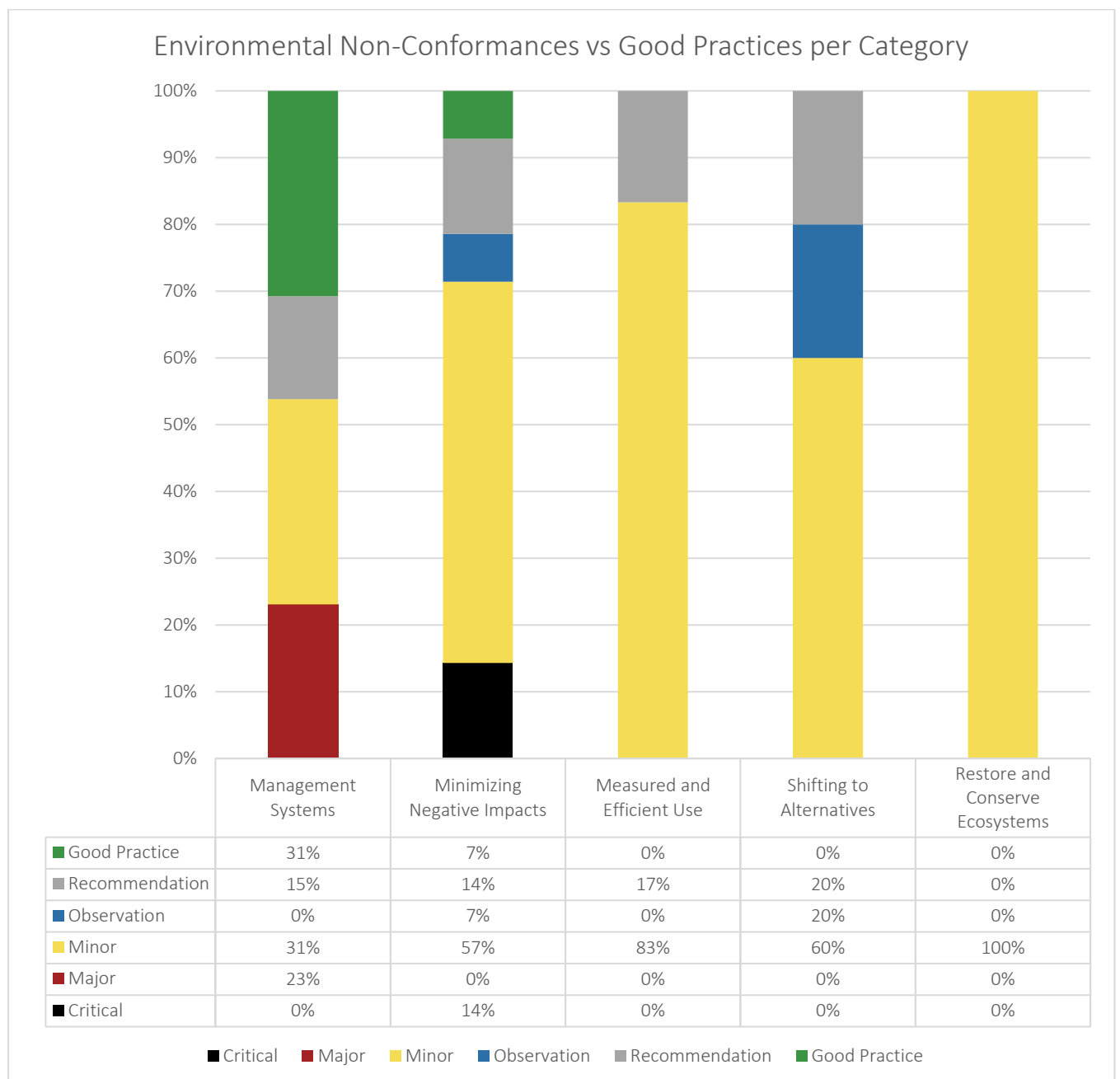
4.4. Non-Conformances

The non-conformances raised during audits are indicative of the risk areas in the industry. Although the total number of non-conformances may increase slightly between periods, this can be explained by the number of audits increasing, as well as increased training among auditors, leading them to be able to identify more areas of non-conformance.

The SIZA programme monitors compliances in the following areas:

- Management systems
- Measured and Efficient Use
- Minimizing Negative Impacts
- Restore and Conserve Ecosystems
- Shifting to Alternatives

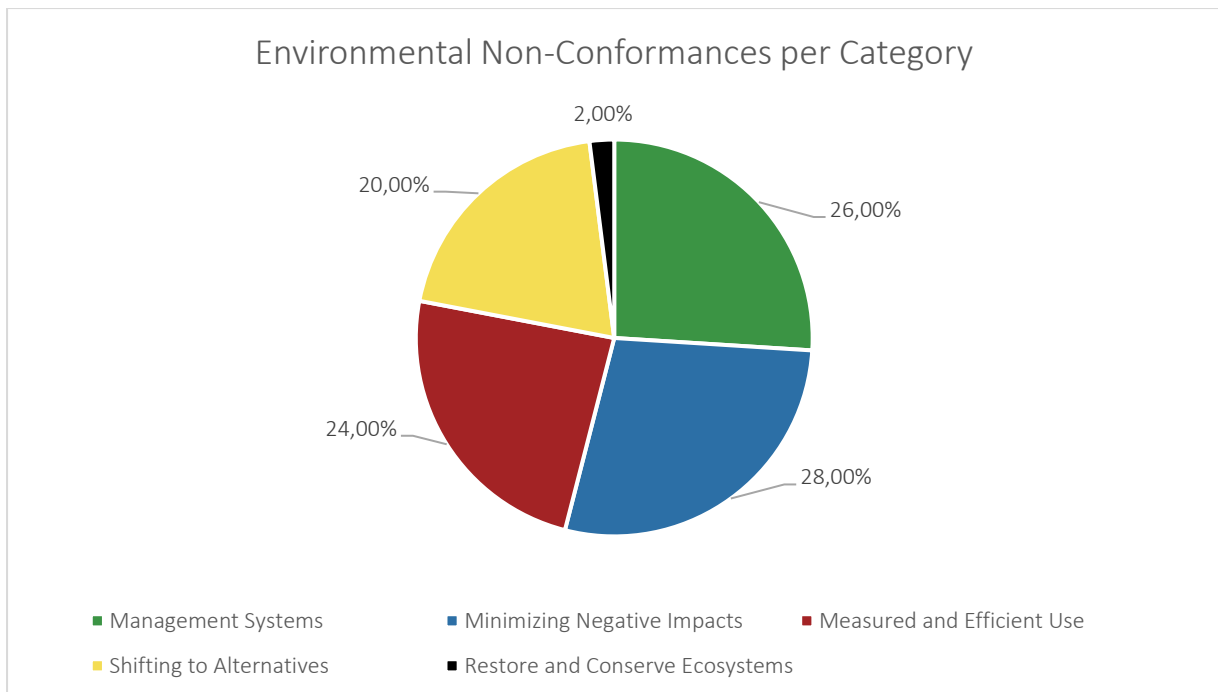
4.4.1. Non-conformances vs good practices per category



4.4.2. Non-conformances per category

In Q1, most non-conformances (78%) fell in three categories, namely:

- Minimizing Negative Impacts (14);
- Management Systems (13); and
- Measured and Efficient Use (12)



As a measurement in looking at the top three areas of non-conformances, the various audit outcomes under the three top categories can be explained as follows:

Minimizing Negative Impacts

As a high number of non-conformances are raised under this section, it is relevant to note that this section also covers the most questions and requirement areas during an audit which contributes to the number of non-conformances raised. In general, the largest areas of non-conformances within this section lie with the following themes:

- Training of relevant staff in the safe and appropriate IAP clearing methods.
- Chemical filling points not being constructed according to SANS 10206.
- Management not in possession of an invasive alien plant (IAP) clearing plan

Management Systems

The second largest area of non-conformances lies with the implementation of management systems and providing documented proof that management are in possession of plans and procedures to address associated risks. In general, the largest areas of non-conformances within this section lie with the following themes:

- Evidence of water registrations not available on the day of site visit.
- Communication of environmental management policy

Measured and Efficient Use

The third largest area of non-conformances are concerned with measured and efficient use. In general, the largest areas of non-conformances within this section lie with the following themes:

- Recordkeeping of waste going to landfill.
- Calculation of an annual carbon footprint
- Implementation of recycling practices to reduce waste going to landfill

4.4.3. Risk distribution

The risk of individual producers is categorised by using a scoring matrix which divides risks into categories of Critical, Major, Minor, Observations, Recommendations, and Good Practices. Non-compliances and Observations are 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:

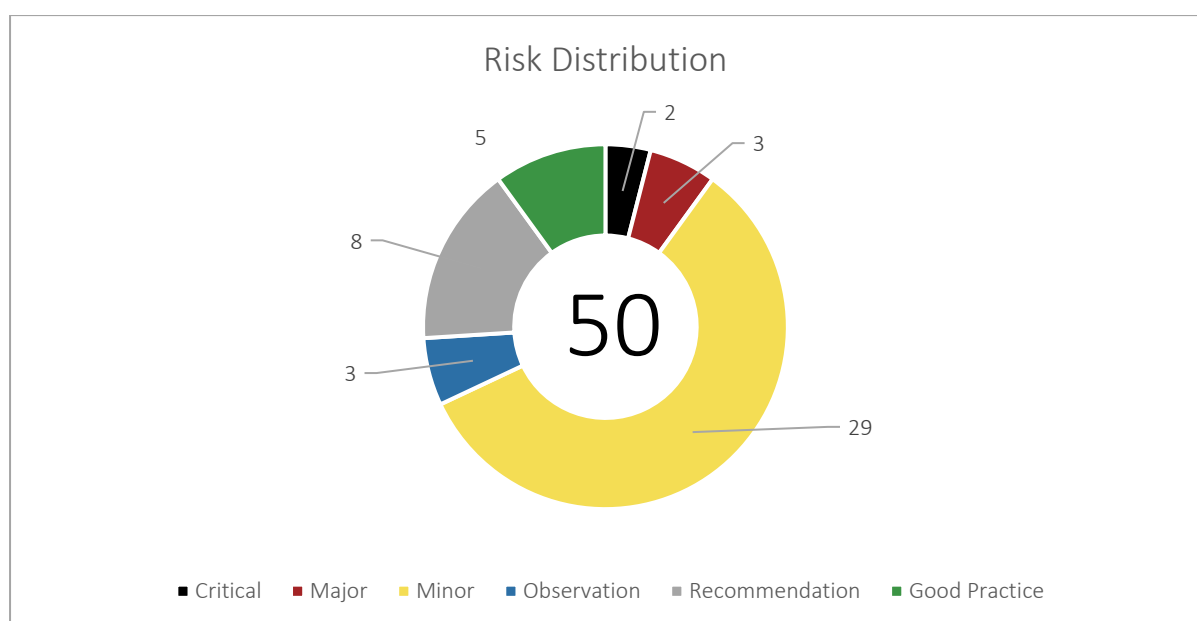
- An occasional or isolated problem.
- An issue which presents a low risk to the environment.
- A policy issue or misunderstanding where there is no evidence of a material breach.

A major non-compliance is:

- A breach which represents a danger to the environment.
- A material breach of a code requirement/law.
- A systemic violation of a code requirement/law.

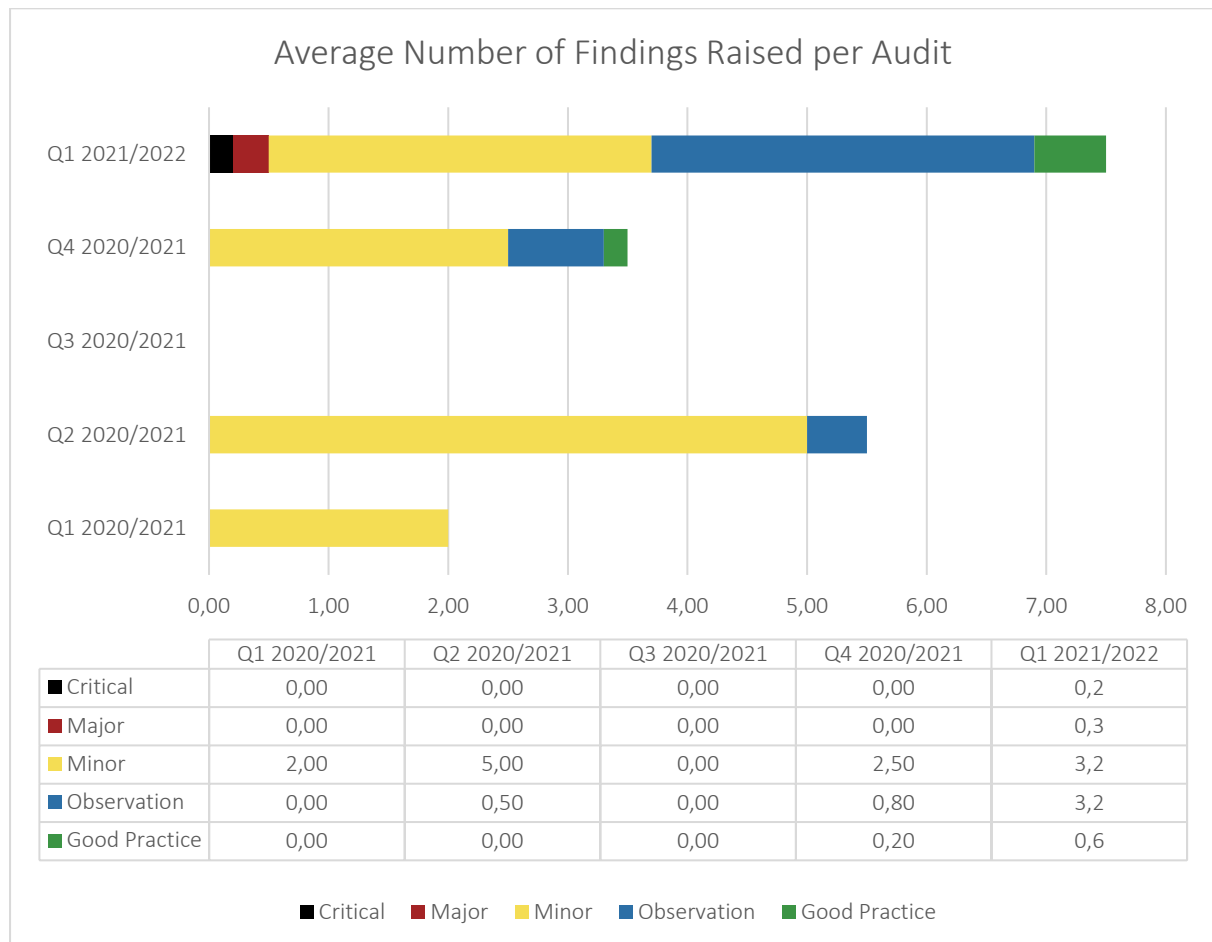
A critical non-compliance is:

- An issue which presents imminent risk to the environment;
- 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, despite supplier commitment to resolve the issue.
- An attempt to pervert the course of the audit through fraud, coercion, deception, or interference.



4.4.4. Average number of findings per audit

The graph below indicates the average number of findings that are raised per audit. During the Quarter 1 2021/2022 reporting period, an average of 7,5 findings were raised per audit.



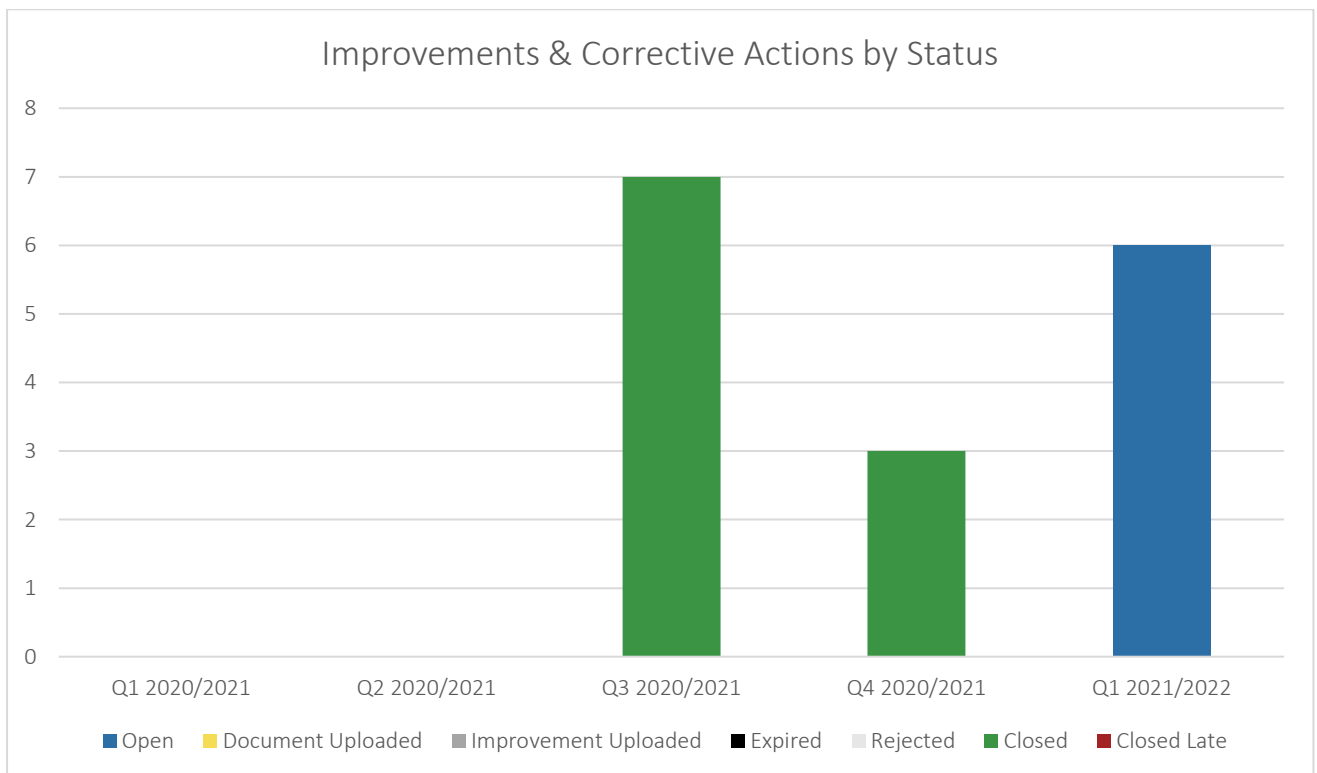
Although the majority of SIZA members received a Platinum risk rating; on average, due to the increased overall number of non-conformances raised on all audits, this results in the average SIZA risk-rating of Gold. This is due to the fact that a member’s risk rating will immediately move to Gold if a Major non-conformance is raised or when more than 10 Minor non-conformances were raised. Despite many members receiving a Platinum risk rating, the high number of non-conformances results in the average of a Gold risk rating. The overall risk rating of a SIZA member is calculated on the SIZA Audit Frequency Risk Matrix, available here: <https://siza.co.za/wp-content/uploads/Annexure-1-SIZA-Environmental-Audit-Frequency-Matrix.pdf>

4.5. Improvements and Corrective Actions

As SIZA is a continuous improvement programme, there is a strong focus on driving improvements on findings during audits. The below graph shows that the majority of findings are closed out timeously during the given timeframes.

Period	Open	Document Uploaded	Improvement Uploaded	Expired	Rejected	Closed	Closed Late
Q1 2020/2021	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Q2 2020/2021	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
Q3 2020/2021	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%	0,00%
Q4 2020/2021	0,00%	0,00%	0,00%	0,00%	0,00%	100,00%	0,00%
Q1 2021/2022	100%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

The graph below indicates how non-conformances are closed out over time. Expired non-conformances will result in a follow-up audit during the 12 months following the audit date, while open non-conformances indicate that the producer still needs to upload corrective action(s) in order to show improvement.



5. BEST PRACTICES IN SIZA SOCIAL (ETHICAL) AND ENVIRONMENTAL

Auditing has been a catalyst for driving sustainable change in the global supply chain for several years. The number of workplace violations were reduced through a principle of driving continuous improvement. Conducting audits on farms, pack houses, processing facilities, and workplaces in general has provided objective measurement to benchmark progress. Yet, auditing is not the only solution. The Best Practice online programme, which was implemented by SIZA in 2018, gives producers the opportunity to showcase areas where they feel they have reached more than compliance, create value, and sustain practices beyond the audit process.

Members can upload details of their best practices on *MySIZA*, after which they are reviewed by SIZA admin. If approved, they will reflect as a Best Practices programme in the producer's member listing on *MySIZA*. It will also, together with other data, be visible to linked members (exporters, importers, and retailers) of choice. With this initiative, we aim to showcase best practices of producers and at the same time try to create a balanced view of ethical assurance practices in agriculture.

To date, 300 Social (Ethical) and 18 Environmental Best Practices have been approved on *MySIZA*.

