SOCIAL (ETHICAL) AUDIT
PROCESS & METHODOLOGY

January 2021

V5.0

1. INTRODUCTION

1.1. Overview of the Audit Process

SIZA manages the audit process from its office in Somerset West and through the *MySIZA* online platform, which aims to create visibility throughout the agricultural value chain, for local suppliers to buyers from international markets. The *MySIZA* platform is developed to ensure adequate navigation for SIZA members, audit firms, and audit teams.

1.2. Involvement of Auditors and Suppliers in the Audit Process

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

This can be done in the following ways:

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.
- Audit firms are not allowed to change the audit scope without the approval of SIZA as outlined by the SIZA APM.

Suppliers:
- Ensuring that information on *MySIZA* is correct, comprehensive, and completed in full.
- Ensuring that the business is registered under the correct membership level on *MySIZA*, since it will influence the audit scheduling and output.
- Completing SAQ information for approval by SIZA before the audit takes place. Information should be accurate, as incorrect information can relate into unnecessary findings.
- PUCs, PHCs, and any other product code related to indication which areas form part of the audit must be declared on the supplier's membership status. If the code is not included, it means that it does not form part of the audit scope.
- The distance between sites, as well as the different commodity seasons must be considered when the membership level is chosen.
- Separate payroll and/or management systems must be registered on different profiles.
- The number of agri-workers which will be on the farm in high peak season must be completed and updated on the SAQ annually.
- 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. In terms of occupational health and safety, all processing facilities must also be in production/active.

1.3. Audit Firms (Auditors) vs Consultants

When an audit is scheduled by an audit firm, the responsibilities of the auditor are defined and set. The audit firm will assign an auditor or auditors to the 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:

1.3.1. Auditors

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

1.3.2. Consultants

Consultants may confer with the supplier regarding the audit. The consultant may also advise and guide the supplier before and after the audit, but he/she cannot interfere *during* the audit. When all the findings have been reported and documented on *MySIZA*, the consultant can assist the supplier in understanding and interpreting the findings and to make the necessary corrections. Suppliers should employ consultants at their own cost and not as part of an audit. Suppliers should ensure that consultants are knowledgeable and trained on the SIZA Audit Process and Methodology before appointing them.

The consultant cannot take on the role of the client on the day that the audit takes place. It is important that the client is present and represented on the day of the audit. Consultants can be present on the day of the audit, but they can only observe during the audit.

1.3.3. Audit firms/auditors

If an Audit firm decides 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. Under no circumstances will a SIZA auditor be allowed to audit at a particular site/facility if that auditor (or any person/company affiliated with the auditor) was involved in consulting or an advisory role prior to the audit. It remains the responsibility of the auditor and audit company to ensure this is declared by the auditor to the audit company and scheme. SIZA has the right to reject an audit if the integrity of the audit was compromised in any way. SIZA must ensure that any conflict of interest is eliminated and that the audit process is an ethical, honest, and transparent process.

1.4. Bribery, Corruption, and Undue Influence

All auditors and audit firms must adhere to fair and ethical practices during the audit process. SIZA is committed to dealing with all parties lawfully, ethically, and with integrity. This commitment will not allow any form of bribery, corruption, or undue influence by any party. These practices are deemed as unacceptable and will not be tolerated. All third parties acting in the interest of or on behalf of SIZA must abide by this commitment.

Auditors and audit firms must complete due diligence when entering audit arrangements to ensure no party is subject to undue influence, corrupt practices, or attempts of bribery. Audit firms must allow for any declarations regarding possible practices and procedures that might be deemed as unlawful or ethically ambiguous prior, during, and after an audit. Such practices may include possible undue influence by offerings of gifts, accommodation, transport, food, or any other practice that may be deemed as deceitful, exploitative, or corrupt practices.

1.5. SIZA programme approach

The audit programme follows a 4-step process:

Step 1: Capacity building/training
Step 2: Self-Assessment Questionnaire (SAQ)
Step 3: Third party audit/corrective actions
Step 4: Continuous improvement

2. 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 or through questions asked as part of the commercial relationship.

2.1. Registration on *MySIZA*

The supplier must register on the *MySIZA* Platform. It is important that the supplier chooses the correct membership level according to the specifications of the farm(s)/packhouse(s)/business and that he/she takes the audit process into account when choosing the membership level. 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 to ensure that you have an approved SAQ at all times. The pricing structure will depend on the membership level, the use of the different SIZA modules and on the level of visibility to be provided to the market.

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 *MySIZA* data platform and through training programmes.

2.2. Self-Assessment Questionnaire (SAQ)

The self-assessment questionnaire (SAQ) must be completed by the SIZA member/supplier on *MySIZA*. 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 *MySIZA*, the SAQ is evaluated by SIZA admin for approval and the member is duly notified of said approval. If the SAQ is rejected by SIZA, the member is notified and must correct the areas indicated and resubmit the SAQ for review. This process will be repeated until it is approved.

SAQs must be updated annually within 90 days from the annual renewal of the profile. If suppliers lapse in updating their SAQs, their Audit Completion Letters will no longer be valid. The status of the SAQ will be visible to buyers on the risk reports. 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 between audits whether members maintain ethical practices and standards during that time. If membership is not renewed and the SAQ is not updated annually, visibility on *MySIZA*, Sedex and GLOBALG.A.P. databases will also be compromised, and the audit completion letter cannot be validated. Once registration and the SAQs are completed and approved, the supplier can request to be audited via *MySIZA*. The buying company may then register on *MySIZA* and access the supplier's information and audit data through the platform and use it as a basis for risk assessment.

The auditor must use information from the SAQ in preparation for the audit to focus on the onsite investigation of possible high-risk areas.

3. AUDIT REQUEST

3.1. Launching an Audit Request

Once the Social SAQ has been approved on *MySIZA*, the SIZA member/employment site can submit an audit request through the online system. If audit firms fail to maintain their membership profile by keeping it active on *MySIZA,* they will unfortunately not be visible to suppliers as an option to choose as an audit firm.

Audit firms must make sure that suppliers are active members of SIZA and have an approved SAQ before they schedule an audit. SAQs must be approved at least 7 working days before the audit takes place.

SIZA will not accept any audits which were arranged through the audit firm without the supplier having an approved SAQ and an active SIZA membership on *MySIZA*. Audit firms are not permitted to schedule an audit if it was not initially requested online by the SIZA member on the *MySIZA* Platform. Auditors will not be able to access the supplier's profile on *MySIZA* if the audit was not scheduled online. Audit firms 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. Any audit request that has not been scheduled on *MySIZA* within three months will be removed from the audit firm's profile. The auditee then has the option to choose another audit firm.

Once the request has been received by the audit firm, the audit scheduler must assign an audit team (lead and associate auditors and a reviewer) to the audit. This is an online process on *MySIZA*. The auditor and the reviewer cannot be the same individual, and an auditor cannot audit the same facility consecutively more than twice.

An audit request may be made by a SIZA member or otherwise it can be:
• the employment site
• the supplier
• the buying company
• SIZA
• 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 or organisation requesting an audit is deemed an 'audit requestor'.

3.2.   Pre-Audit Employment Site Profile

The information required to compile a pre-audit employment site profile is generated on *MySIZA*. When an audit request is made, the SIZA member will select the audit firm they wish to conduct the audit. *MySIZA* will submit this request to the audit firm electronically.   The audit firm will then automatically have access to information relevant to the pre-audit employment site profile, comprising of 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. 4.2.2 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 *MySIZA*. The auditor should use the information provided by the supplier along with the information provided to the audit firm when the audit is requested, to make the necessary preparations for the audit and to focus the auditor on high-risk areas during the audit.

A pre-audit employment site profile should have two main areas:
1. **Supplier overview** including the name of company owning the site, legal status, location, size, and production processes.
2. **Employment site details** such as the 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 requestor, the audit firm should ensure that an agreement is in place with the employment site to allow the audit firm to communicate audit findings and any alert notifications to SIZA or any customers concerned.

4.   PREPARATION

4.1.   Background and Context Review (SIZA Preparation Toolkit)

4.1.1.   Audit firm

The audit firm 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 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.

4.2. Organisation of an Audit

4.2.1. 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 two-thirds (66%) of the total number of workers (calculated during the busiest time period) present in the workplace for the audit to be deemed as valid. If any processing or packing facility is onsite, this facility should be accessible and in operation to allow for a thorough evaluation by the audit team.

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 requestor; which in most cases may be the buyer, importer, exporter, or packhouse; would need to schedule the audit through *MySIZA* and select an audit firm 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 considered, since semi-announced and unannounced audits can negatively impact supply chain relationships.

4.2.1.1. *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, or 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 unannounced at any time
- 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. 4.4 Supplier Preparation).

Unannounced audits would need to be requested to SIZA directly to launch the request on *MySIZA*.

To avoid unannounced audits occurring outside of the production period where no workers are present onsite 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 firm 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 etc.).

4.2.1.2.   *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-announced audits would need to be requested to SIZA directly to launch the request on *MySIZA*.

4.2.1.3.   *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.

4.2.2. 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 annually on the Social SAQ (based on the supplier's membership cycle). Due to the precariousness of the workforce size throughout the year/season, the audit firm, 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 the auditor 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 auditor days onsite for audits is set out in the table below as calculated from the total workforce.

In the case where the audit day(s) take place on a public holiday or over weekends, the audit firm must ensure that this has been clearly communicated and arranged prior. Audits can only be conducted on public holidays or weekends, if and when both the auditee and the audit firm agree to this fact.

See table 1 below.

Table 1 Minimum worker interview sample size and auditor day requirements

Number of employees excluding management	Number of worker interviews	Auditor days on site*	Effective time spent on individual worker & group worker
1 – 100	10	1	2,5 hours
101 – 500	26	2	6 hours
501 – 1 000	42	3	8,5 hours
1 001 – 2 000	52	4	12,5 hours
2 001 +	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 2 000 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 the 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 both 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 auditor days required for an audit is shown in the table above, 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 auditor days required.

4.2.3. 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.

The audit team will include all sections of the business as part of the legal entity that is managed under one centralised management system. It is important that all PUCs, PHCs and/or production sections which form part of the audit be listed on the audit report. All production

units that formed part of the audit will be listed and included in audit report and be covered by the Audit Completion Letter. In cases where businesses knowingly exclude production units, the business risks the rejection of the audit report from SIZA and buyers, and SIZA will not be liable or responsible in such a case.

When a business operates another business under the same trade name (or legal entity) but this business has a different management system/team, it is strongly advised and recommended that such a business complies to the requirements of the SIZA programme. The business should register this entity as a separate business on *MySIZA* and undergo a separate audit. This is to protect the business' integrity and ensure truthful representation of a business operating under one entity/trade name.

However, once all production sites have been declared on *MySIZA*, these form part of the scope of the audit, and auditors are required to audit both the head office as well as undertake inspection visits at all the production sites forming part of the scope of the audit. It is important that all PUCs 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 for as long as the validation period of the Audit Completion Letter. PUC and PHC codes cannot be added to a profile between audits.

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

1. A centralised systems audit at the company's head office, during which company policies and procedures are assessed. This will include assessing personnel records and interviewing senior management 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. These factors include; the 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 *MySIZA* 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 in 4.2.4, 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 percentage of the total number of workers.

Processing and packing facilities

It will be expected of all processing facilities and pack houses to ensure ***full compliance throughout their supply chain***. The expectation is that all facilities that supply to the packhouse for example, must have a valid SIZA audit or any other acceptable compliance audit in place to allow for transparency and credibility of the supply chain. As SIZA realises this process can take

time, the expectation is for all facilities to comply by the **1ˢᵗ of April 2023**. This provides a reasonable cycle for all existing and prospective businesses to plan and implement the necessary requirements before their next audit.

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

4.2.4. 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 Type	Number of workers	Interview Sample Size
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, ethnicity, nationality, and linguistic balance of the workforce as well as being representative of migrant or religious groups, different department types, and different designations. In the example 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.

4.2.5. 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, or family ties to or with the employment site.

The audit firm should undertake 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.

4.2.6. Audit frequency

While 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 recognised 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.

4.3. Communicating Audit Arrangements

4.3.1. Information for the employment site

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

- Confirmation of receipt of the Self-Assessment Questionnaire as completed on *MySIZA* 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:
  o Timetable
  o Topics to be covered
- Key personnel invited to participate in the audit, including but not limited to:
  o Management
  o HR and Payroll personnel

- o Health & Safety personnel
- o 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, and 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:
  - o Employment site layout/floor plan
  - o Company policies (including but not limited to child labour, discipline, discrimination and harassment, Health & Safety etc.)
  - o Government inspection reports, e.g. sanitation, fire safety, structural safety, environmental compliance, etc.
  - o Procedures (e.g. grievance/complaints and disciplinary procedures)
  - o Evidence that procedures are followed
  - o Collective Bargaining Agreements (CBA)
  - o Employment contracts
  - o Recruitment procedure
  - o Personnel records
  - o Employee handbook
  - o Training records
  - o 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:
  - o Pay records for high and low points of the season
  - o Hours and/or attendance records
  - o 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 licenses, certificates of operations, etc.
    - Previous social audit reports/Corrective Action Plan Report

4.3.2. 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 • Child Labour and forced labour • Health & Safety, freedom of association, discrimination One-on-none 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-on-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	

4.4. Supplier Preparation

Employment site management should ensure that:
• A member of senior management who will participate in the ethical audit attends SIZA pre-audit training during which they will receive information inter alia on SIZA's approach to ethical auditing, the SIZA ethical standard, and 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.

4.4.1. 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 (emphasizing 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.

Documents were compiled which suppliers can use in preparation for the audits. These documents are available directly from the SIZA office.

Free templates in relation to policies and management systems are also available in the SIZA library on the website. Agri-worker videos and awareness raising videos are also available in the SIZA library to ensure that workers are also prepared for the audit.
The SIZA audit checklist which was compiled for auditors to use during the audit is only available to audit companies on *MySIZA* and is not for distribution.

Sample Communication

On *(insert date)*, representatives from *(insert audit firm)* 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 practices 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 firm)* 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 firm)* to discuss the audit or any other issues, please do not hesitate to do so:

(Insert contact details of audit firm)

5. 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 must be in the best interest of the workers. 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 discloses false information to the audit firm which influences the scheduling of the audit or the physical implementation of the auditors' duties.

5.1.   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.
- Explain that no attempts to unduly influence any party will override the objectivity of the audit process and integrity of the auditor.
- 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 the employment site management does not agree to the participation of worker representatives, auditors should note this and arrange a separate meeting with worker representatives.

5.2.   Employment Site Tour

5.2.1.   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, dispatch 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.).
- Workstations (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.

5.2.2. 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 Annexure 6).

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.

5.3. 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.

5.3.1. 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.).

5.3.1.1. *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 4.2.2.
- 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, 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:
  o The gender balance of the workforce.
  o The spectrum of ethnic, national, linguistic, migrant, or religious groups.
  o Youngest and oldest workers.
  o Different departments, including security and canteen workers as well as production workers.
  o Different designations, for example rank and file workers and supervisors.
  o Worker representatives.
  o Health and safety committee representative(s).
  o New employees/trainees (to evaluate training quality).

- o Workers in all pay grades (i.e. lowest pay grades, highest pay grades) to evaluate wages and working hours.
- o Pregnant women.
- o Employees from different shifts.
- o Workers not wearing uniform.
- o Workers who have taken leave recently.

5.3.1.2. *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:
  - o Interview approaches should be appropriate for the local situation, ideally semi-structured interviews, focus groups, ranking and/or other participatory tools should be used.

5.3.1.3. *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.

5.3.1.4. *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 reported 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 3, alert notifications).

In order to protect workers from retaliation, the names of workers involved in identifying an issue may 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.

5.3.1.5.   *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.

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.

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.

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.

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.

Union and workers representative interviews:

The audit team should discuss with union and/or worker representatives their roles 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 of how the trade union is organised at a local level, and its relationships with workers and management.

Labour service providers interviews:

In the event that a facility makes use of a Labour Service Provider (Temporary Employment Service or independent labour contractor), it should be included in the audit scope and employee interview sample. The aim is to ensure that any risks pertaining to the labour force is adequately evaluated by the audit team. The business should be truthful and honest in reporting the use of labour service providers.

In the case where the labour service provider is a registered SIZA member and has undergone a SIZA third-party social audit, they may be excluded from the interview sample on the day of the farm audit. In any scenario, the labour service provider must undergo a full onsite third-party SIZA social audit before an audit completion letter can be issued and provided. Auditors can verify the legitimacy of the labour service provider audit completion with the SIZA office.

5.4. Document Review

5.4.1. Document sampling

The documentation requested by the auditor should be available on site, including payroll and records of time worked, safety training, 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, that 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:
  o Hazardous chemicals list
  o Accident book
  o Chemical log
  o Machinery inspection/service logs
  o Accident and injury log

- - o Emergency action procedures
  - o Evacuation plan
  - o Fire log drill
  - o Minutes of joint committees on health and safety
- Payroll records
  - o Pay records for high and low points of the season
  - o Hours and/or attendance records
  - o 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 licenses, 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.

5.4.2. Document inconsistencies

Inconsistencies between different types of documents and worker testimony should be considered a critical non-compliance and should be 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.

5.5. Alert Notifications

Where a critical non-compliance is identified, the auditor should immediately inform the audit firm of said critical status. The audit firm should formally communicate the critical non-compliance to the audit requestor and submit the alert notification to SIZA management within 24 hours so that agreement can be reached on the status and action to be taken. Based on this decision, the audit firm, 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 and examples of critical non-compliances can be found in the tables in Annexure 6.

5.6.   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 practices. The analysis of evidence gathered is a prerequisite 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 on:
- 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 Corrective Action Plan Report (CAPR) has been designed to provide a structure to the audit team's findings, provide a summary of all the findings and help the audit team develop a corrective action plan and structure a closing meeting.

The Corrective Action Plan (CAP) 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: Auditor's suggestion on how the audit findings can be resolved.
- Person(s) responsible for corrective action.
- Verification method:
  - A desktop-based follow up may be used to verify corrective actions for minor non-compliances, but provides less assurance than a follow-up audit. Desktop-based verification should check corrective actions through photos, copies of certificates, invoices, etc. submitted by the employment site. Desktop-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 6.5 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 CAP Report 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.

       o   A hard or soft copy to the audit requestor.

5.6.1. 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 6.5 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.
- 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.

Critical non-compliances include:
- Inconsistencies between different types of documents and worker testimony
- 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.).
- Instances where union members, union-, or worker representatives are actively harassed, penalised, or discriminated (directly or indirectly) against.
- Attempted bribery.
- Auditors being 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 Annexure 3).

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 which cannot be confirmed by more than one data point.

A good practice example is:
- An example where the auditor feels the site went 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. Please see Annexure 6 for guidance on the allocation of risk ratings for each principle category.

5.7.   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 on 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.
    o A signed copy of the corrective action plan (CAPR) should be left with management.
    o 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 upon, the auditor should leave a copy with the employment site and report disputed points to the audit requestor, copying the employment site.
- Auditors should at best not change their opinion/evaluation on findings after the CAPR has been discussed and agreed to. In cases where the audit reviewer makes a different

evaluation, this must be clearly communicated to the auditee once the CAPR has been finalised and the audit is approved.

6. AUDIT OUTPUTS

6.1. 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 *MySIZA* and must be written in English to ensure that it can be shared with various stakeholders. The report should be published on *MySIZA* to the audit requestor within 10 business days of the audit.

For each provision of the audit standard, the report should:
• Provide a 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:
  o Description of the non-compliance or observation, its frequency, and the number of people concerned.
  o Evidence found to substantiate the finding.
  o Classification to applicable law, code of conduct, etc.
  o 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 (e.g. 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 1](#)).

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.

6.2.   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 (e.g. 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.

6.3.   Long-Term Improvement Plans

Improvement Plans must be uploaded to *MySIZA* under the section for Improvement Plans so that implementation can be monitored. Monitoring will be done by the SIZA office in conjunction with the audit firm. In cases where suppliers do not adhere to the improvement plan submitted, their Audit Completion Letter will be cancelled. To further ensure compliance, SIZA will include the sites in the annual sample that will be visited as part of the SIZA in-between audit monitoring policy. The long-term plans will be subject to review on the day of the visit to ensure that progress is monitored effectively before the plan will be closed by SIZA management.

6.4.   Information Management

The audit reviewer should complete the review and the audit must show "approved" on *MySIZA* within 10 business days after the completion of each onsite audit.

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.
- The summary of findings and corrective actions.

Supplementary documents such as the following will need to be sent by the audit firm to the audit requestor:
- 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.

6.4.1. Audit records

All documents, handwritten notes, signed Summary of Findings and Corrective Actions and audit reports should be retained by the audit firm 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 license).
- 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.

6.5. 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.
- 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.

6.5.1. 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 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 desktop-based follow-up may be used to verify corrective actions for minor non-compliances but provide less assurance than a follow-up audit. Desktop-based verification should check corrective actions through photos, copies of certificates, invoices, submitted by the employment site.

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

6.6.   SIZA Audit Completion

When the audit process has been completed in full, evidence of all required corrective actions needs to be uploaded on *MySIZA* by the SIZA member, employment site, or supplier for the audit firm to verify and sign off in the given period specified on *MySIZA*.

Only once desktop and site verification (where required) have been completed and accepted by the audit firm, will *MySIZA* issue an electronic SIZA Audit Completion Letter to the member. All corrective actions must be reviewed for sign-off within 10 working days after they are uploaded by the supplier.

The Audit Completion Letter will reflect basic details of the site audited which includes the SIZA membership number, risk category, and next audit date.

6.7.   Extension on Corrective Actions

The SIZA member can ask for an extension in order to address corrective actions. This should be done online via *MySIZA* after which approval for or rejection of the extension will be given by SIZA management. If the extension is approved by SIZA management, the supplier will not be penalised.

6.8.   Expiry of Corrective Actions

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

7. GLOSSARY OF TERMS

Agency worker
Agency workers are workers who are employed by an employment agency but who 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 firm
Term used in the SIZA service level agreement to denote the audit firm 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 must be taken and within what time limit to remedy the non-compliance.

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.

Employment site
An individual agricultural site, such as a 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.

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 unspecified date, scheduled within a set period, (between two weeks and two 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. 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 or enforce their rights within the workplace and the society as a whole. The organisation must conform to local legal requirements, and must 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.

8. ANNEXURES

These annexures can be viewed in full on the SIZA website. Click on each title to view the full documents online.

Annexure 1: SIZA Supplementary Audit Information
Annexure 2: SIZA Audit Frequency Matrix
Annexure 3: SIZA Alert Notification
Annexure 4: SIZA Auditor & Reviewer Competency Requirements
Annexure 5: SIZA Audit Processes
Annexure 6: Guidance on Risk Ratings per Principle Category
Annexure 7: SIZA Audit Oversight, Monitoring & Evaluation Policy
Annexure 8: SIZA Golden Audit Report Template