

SIZA Newsletter for Producers

MORE ABOUT THE SIZA AUDIT FREQUENCY MATRIX

The SIZA Ethical (Social) programme subscribes to being improvement-led, rather than audit-led and uses the SIZA Audit Frequency Matrix to support this position. As from the 1st of May 2017, the audit frequency categories were changed to Platinum, Gold, Silver and Bronze, where Platinum (previously known as *Risk category A*) is no longer a **five-year audit period**, but a **three-year audit period**. Since the beginning of the SIZA programme, the intention was that SIZA must be involved in various verification activities, such as *site visits* and *desktop assessments* (SAQs) to manage the risk **in between audits**.

As part of the SIZA Audit Oversight programme and monitoring risks in between audits, SIZA conducts 2nd party visits on farms to ensure that social practices in between audits are consistent. Currently there are still **361 audits** left in the five-year audit period (52 of which will phased out by end 2019; 139 = 2020; 123 = 2021 & 47 = 2022). Once the 5 year audit cycle visits end, we will take an annual sample size from the 3 year Platinum period. The focus of these visits will be to drive continuous improvement and to assist growers to prepare for third party audits. This is not another audit and there are no additional costs involved for the grower because it will be included as part of the annual membership fees.

SIZA SOCIAL STANDARD REVIEW

SIZA is in the process of reviewing the SIZA Social Standard. As per SIZA's policy and market requirements, the SIZA Social Standard must be reviewed and updated every three (3) year cycle. This process formally commenced in May 2019 and the first round of reviews has been completed and was discussed by the review panel on the 3rd of September 2019.

As part of the revision process, the next step is public commentary, which we would like to formally invite you to participate in. If you would like to propose changes to the current standard you can find the document on the SIZA website at <https://siza.co.za/wp-content/uploads/2018/11/SIZA-Standard-Sept-2016-V5.0.pdf>

Please remember to quote the code reference number as well as the page number when you propose comment on a certain section.

Your written proposed commentary must be sent to Carmen Botes (carmen@siza.co.za) by latest **30 September 2019**.



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SIZA SOCIAL OVERVIEW

SIZA currently has 2 025 members registered on the platform. During a twelve month period, 1 592 members renewed their subscription. 41 members cancelled their profiles because the farms were sold.

SIZA memberships has grown with 333 new members between 1 August 2018 and 31 August 2019. This growth can be attributed to overall market requirements for more producers. SIZA's credibility remains intact as members realise the value their SIZA membership brings to their production and supply chain.

SIZA Social SAQs

To date there are 1 767 Social members who completed their Social Self-Assessment Questionnaires (SAQs) for the period 1 August 2018 to 31 August 2019 on the platform, of which 1 587 were reviewed and approved. There are 180 Social SAQs still pending update.

The SIZA team is working diligently to ensure all producers are contacted and assisted in completing their SAQs on time.

“Beyond audit practices improve capacity within a system and usually stem from additional time, effort and/or financial investment from a site...”

EXAMPLES OF BEYOND AUDIT PRACTICES

Psycho-social Wellness

- Sport teams (employees from the site are supported by site management to form a team — supported financially, logistically etc.)
- Sport fields are provided by site
- Psycho-social wellness programme is supported by site management and offered to employees (e.g. ProCare etc.)

Employment Benefits

- Provident funds are provided to all workers
- Aftercare facilities, such as crèches are on site
- Superior housing provided for workers (accommodation condition is beyond minimum requirements), such as en-suite bathrooms, spacious rooms, workers can own housing etc.

WHAT IS A BEYOND AUDIT?

Beyond audits are practices that exceed minimum audit requirements, ideally above and beyond minimum legislative, Standard and code requirements. These benefits are additional systems, products, services or goods that are offered as a benefit to the employees of a site. These practices are ongoing efforts that attempt to create a longitudinal, cohesive and mutually beneficial system for all those involved within the system.

Take a look at the banner on the left for examples of Beyond audit practices.

Beyond audit practices improve capacity within a system and usually stem from additional time, effort and/or financial investment from a site in an attempt to create mutually beneficial relationships between employer and employee.

To date, 146 producers uploaded beyond audit practices on the platform.





SIZA SOCIAL AUDITS

SIZA Social Audits have increased over the course of 2019 with a total of **383 Social Audits** that have already been conducted from the 1st of January 2019 to the 31st of August 2019.

The growth can be seen in comparison to the previous years, as a total of 219 audits were conducted for the year 2016 and a total of 316 audits for the full year of 2017. In 2018, a total of 415 audits were conducted, resulting in a median of 35 audits conducted per month for 2018, which results in the conclusion that 2019 will accumulate greater numbers.

Currently, SIZA offers a choice between six Audit Companies of which three have offices in the Western Cape and three in Gauteng. All six Audit companies have auditors living in the Western Cape, Northern Cape, Eastern Cape and Gauteng.

SOCIAL AUDIT STATUS UPDATE

AUDITS	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019	July 2019	August 2019
Completed	45	38	41	51	41	24	22	5
Approved	4	3	3	4	14	16	24	25
In Progress	0	0	0	0	0	2	1	11
In Review	0	0	0	0	0	0	0	9
Sedex Uploads	46	17	40	48	45	59	59	45

COMMENTS ON AUDIT REPORT REVIEWS

159 Audit Report Reviews were conducted for the months of January to June 2019. Feedback to Audit Entities were provided in a monthly Audit Review Report. The Audit report reviews for July, August and September (150 reviews) will be completed by 30 September 2019.

CRITICAL FINDINGS

There were a total of four (4) Critical findings over the last 6 months. Procedures were followed and appropriately communicated to buyers, audit companies and SIZA members. Three of the Criticals were resolved and one case is in the process of implementing corrective action.

AUDIT DISPUTES

Currently a total of nine Audit disputes were logged with SIZA in 2019. All nine disputes have been resolved.

Overall, the majority of audit disputes consist of complaints regarding working hours (overtime), status of the site (BCEA or SD13) or calculation of rest periods.





SIZA ENVIRONMENTAL OVERVIEW

To date, 1 313 SIZA members have completed their Environmental Self-Assessment Questionnaires (SAQs) on the SIZA platform, of which 1 248 were approved and 65 were reviewed and sent back for the necessary corrections to be made. The growth in completed Environmental SAQs is illustrated in figure 1.

Over the course of the last three months, SIZA received 207 new Environmental SAQs. This growth in SAQs can be attributed to the exposure of the platform to more suppliers, as well as the demand for Sedex visibility. For SIZA to provide the visibility of their members to UK retailers, all 1 244 approved SAQs were transferred to the Sedex platform.

Completed Environmental SAQ's

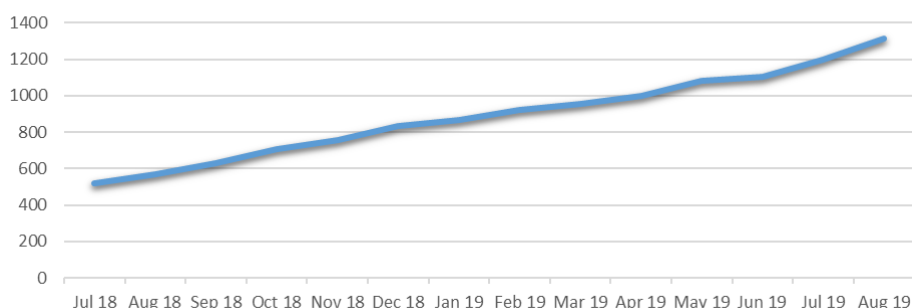


Figure 1: Growth of Completed Environmental SAQs from July 2018 to August 2019

WELCOME CARMEN BOTES

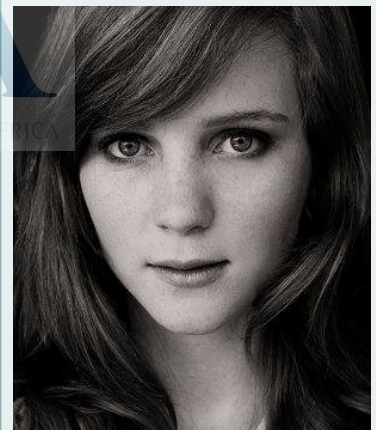
We would like to welcome the newest member to the SIZA team; Carmen Botes.

Carmen received her Honours degree in Linguistics from the University of Stellenbosch in 2016.

Since then, she has worked in the digital sphere of South African Agriculture. In August 2019, she joined SIZA as Operational Officer, where she looks forward to growing as a person and expanding her experience and knowledge in this sector.

In her free time, she enjoys all things foodie and baking. SIZA welcomes Carmen as part of the team and we believe that she will contribute to the success of the SIZA initiative going forward.

To contact Carmen, please send your email to: carmen@siza.co.za



SIZA ENVIRONMENTAL TRAINING

With markets starting to request Environmental audits, compliance workshops were hosted in preparation of second-party verification. The workshops focused on the implementation of the SIZA Environmental Standard and what is being recognised as good agricultural practices. Between April and August 2019, SIZA held 22 workshops throughout the Western Cape, Eastern Cape, Northern Cape, KwaZulu-Natal, Mpumalanga and Limpopo provinces. A total of 580 producers were reached throughout these workshops of which 71 will be verified by March 2020.



“The environmental awareness video and poster has been translated into English, Afrikaans, and isiXhosa and sent to all SIZA members.”

CARING FOR THE ENVIRONMENT

SIZA recently developed an environmental awareness video which is called Caring for the Environment. The aim of this video is to create awareness on agri-worker level regarding the importance of environmental conservation. The content of the video is focused on environmentally sustainable practices that can be implemented as part of their day-to-day activities. Topics such as water saving, pollution prevention, energy management and the eradication of invasive alien plants are covered.

The environmental awareness video and poster has been translated into English, Afrikaans and isiXhosa and

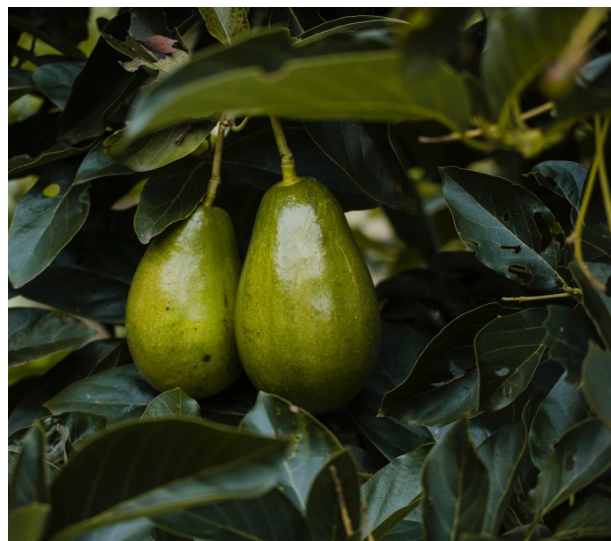
sent to all SIZA members. The videos are available to view on YouTube and also made available on memory sticks for easier use where there may not be adequate internet connections. The video can be found here: <https://youtu.be/xxlYH7EErqY>

The memory sticks and posters are distributed during capacity building workshops and second-party verification site visits. They can also be ordered from the SIZA offices. The memory sticks and posters are distributed free of charge, since they were compiled in conjunction with the Western Cape Department of Agriculture.



SIZA ENVIRONMENTAL SECOND-PARTY VERIFICATION

Greencell (Westfalia) asked SIZA to verify a 25% sample of their avocado suppliers in the first year and the rest thereafter. A total of 14 avocado farms will be verified in year one, with the rest to follow. SIZA was also approached by Marks and Spencer UK to have their South African suppliers verified by end 2020. It was agreed on a 25% sample size, with a total of 56 farms that must be verified by the end of March 2020. The sample group for Marks and Spencer was selected randomly to ensure representation across all regions and commodities.



SIZA officially started with second-party verification in the first week of July 2019. Until now, a total of 25 Farms were verified of which 11 is from Greencell (Westfalia) and 14 from Marks & Spencer with the outcomes showing positive results. With the second-party verification process focussing largely on driving continuous improvement and promoting environmental stewardship, the following areas were identified as areas of concern:

- Filling points used for mixing chemicals are not constructed according to South African National Standards (SANS)
- Energy records are not compared on an annual basis to interoperate the effectiveness of increased management practices and to implement a formal energy reduction plan
- Only minimal recycling is implemented
- Lack of assessment regarding the biodiversity and conservation value of natural and production areas

In the coming few months, SIZA is scheduled to verify 35 farms which is located in the Western Cape, Northern Cape, Eastern Cape and KwaZulu-Natal province. Taking the peak seasons of commodities into consideration, second-party environmental verifications are scheduled to be outside the peak season of each given commodity.

CONTACT

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