

# SSCI Benchmarking Assessment Report



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# 1. Application Information

## 1.1. Benchmark assessment team and date

Scheme Owner name(s)	The Sustainability Initiative of South Africa (SIZA) Standard
Scheme Owner name and address	SIZA, Section 21, Trident Park II, Niblick way, Somerset West 7130, South Africa
Scheme Owner name, email, contact number	SIZA Retha Louw, Chief Executive Officer +27 (21) 852 8184 / +27 82 302 7507 <a href="mailto:retha@siza.co.za">retha@siza.co.za</a>
Date of previous application (if applicable)	N/A
Benchmark Leader name and contact details	Reuben Levy, <a href="mailto:Reuben@LevyCR.com">Reuben@LevyCR.com</a>
SSCI Technical Manager name	Luiza Reguse <a href="mailto:l.reguse@theconsumergoodsforum.com">l.reguse@theconsumergoodsforum.com</a> Erin Bush <a href="mailto:e.bush@theconsumergoodsforum.com">e.bush@theconsumergoodsforum.com</a> Marie-Claude Quentin
Observers name	N/A
Interpreter's name (if applicable)	N/A
Date of this office assessment	Office Visit conducted December 7-8, 2022
Language (e.g. English or other)	English

## 1.2. Benchmark assessment scopes

SSCI Scopes of Recognition		Scopes of Recognition Applied For
AI	Processing and Manufacturing	YES
BI	Primary Production	YES
CI	At-Sea Operations	NO

## 2. Executive Summary and Recommendations to the Steering Committee

The Sustainability Initiative of South Africa (SIZA) was established in 2016, as a not-for-profit, membership-based organization responding to the South African fruit industry's need to provide retailers and their consumers with assurances of fair labor practices in their supply base. Currently, SIZA serves as the custodian of an ethical and environmental standard with an agri-wide multisector focus. SIZA seeks to enable South African agriculture to be a global leader, by ensuring sustainable, ethical trade, and environmental stewardship. The organization provides a platform for agricultural stakeholders to ensure ethical and environmentally sustainable trade. This platform monitors care for the environment and compliance with a social standard, including South African labor legislation. SIZA's aim is to encourage continuous improvement in practices over time and beyond the minimum legal requirements. Although SIZA operates within South Africa and bases its social standard on South African labor legislation, some member farms sit on the border of South Africa and neighboring countries, and SIZA requires these farms to comply with the South African legal requirements. SIZA conducts engagement with various stakeholders and supports members with audits, investigations, guidance, training, and grievance mechanisms. SIZA does not issue certifications but does issue Audit Completion Letters.

As SIZA audits farms as well as farms that include packing facilities, it applied for both the SSCI Primary Production scope and the SSCI Processing and Manufacturing scope.

SSCI began engagement with SIZA in early-2022. SIZA submitted an application in February 2022, followed by a Self-Assessment Questionnaire response in June of that year. After an initial review of that Self-Assessment Questionnaire, SSCI staff provided further detailed guidance and requested SIZA to revise and resubmit its materials. Upon resubmission in August, the SSCI Benchmark Leader (BL) began reviewing SIZA's Scheme Management and Social Standards against SSCI criteria. SIZA updated its Self-Assessment Questionnaire once more before a Desktop Review Call in October. Based on results, the BL recommended planning the in-person Office Visit, which was conducted in December. The Office Visit resulted in a corrective action plan (CAP), and in March 2023, SIZA submitted documentation demonstrating successful completion of all CAPs except two "Partly Aligned" criteria, which it is actively working to resolve.

Throughout the benchmarking process, SIZA staff has remained cooperative, transparent, receptive to feedback, and diligent in resolving questions or non-alignments. SIZA has also demonstrated strong practices beyond SSCI criteria, such as a robust data management and engagement platform, audits of labor brokers ("Temporary Employment Services"), and cost-free monitoring and guidance visits to farms in between audits.

Despite the two outstanding "Partly Aligned" criteria, which are being resolved through formal processes, SIZA demonstrated its ability to attain SSCI recognition.

## 2.1. Result of the self-assessment review and the office visit

Following the Desktop Review Call of SIZA's Self-Assessment (October 12, 2022), the BL identified two Partly Aligned Scheme Management criteria, two Partly Aligned Social Criteria, and one Non-Aligned Social Criterion. Summary results are listed below, with details expanded in Section 4.1.

- ▶ **Scheme Management – Scheme Governance A1.03 (Both Scopes):** SIZA had not demonstrated “adequate arrangements to cover liabilities arising from its operations.”
- ▶ **Scheme Management – Standard Setting and Maintenance A5.01 (Both Scopes):** SIZA had not demonstrated “a document control procedure in place to ensure that all of the scheme’s normative documents are appropriately controlled and publicly available.”
- ▶ **Social Standard – Wages 10.05 (Primary Production) / 9.05 (Processing and Manufacturing):** SIZA’s standards did not specify that payment must be made to workers in “legal tender.”
- ▶ **Social Standard – Grievance Mechanisms 12.03 (Primary Production) / 11.03 (Processing and Manufacturing):** SIZA’s standards did not prohibit retaliation against a worker or external party who may lodge a complaint in good faith.

At the conclusion of the in-person Office Visit (December 7-8, 2022), the BL identified SIZA’s progress, but not completion, on each of the Partly/Non-Aligned criteria above. The Office Visit entailed review of the previous Partly/Non-Aligned criteria, complaint and appeals tracker, and five audit reports with associated audit firm and auditor documentation. During the Office Visit, the BL identified strong practices beyond SSCI criteria, such as a robust data management and engagement platform, audits of labor brokers (“Temporary Employment Services”), and cost-free monitoring and guidance visits to farms in between audits. The BL also noted two additional Partly Aligned criteria, summarized below, with details expanded in Section 4.1.

- ▶ **Scheme Management – Audit Protocol B4.09 (Both Scopes):** Sampled audit reports had not adequately explained whether and how management interviews were conducted.
- ▶ **Scheme Management – Follow-up Action A6.02 (Both Scopes):** Sampled audit reports had not adequately explained whether auditees were required to perform root cause analysis of the non-conformities found.

Lastly, although in both the Desktop Review and Office Visit, the BL recorded a finding for Forced Labor 3.09 (Both Scopes), stating that “if a secure storage option for personal documents and valuable possessions is provided, it shall be ensured that: (a) it is the choice of the worker to utilise the storage, and (b) storage is documented, and (c) workers have free access to their possessions,” SIZA rebutted this finding to the satisfaction of the BL. In doing so, SIZA argued that its standard prohibits allowing management to retain workers’ personal documents, and therefore, the second half of the SSCI criterion is not applicable.

By March 6, 2023, SIZA had provided a detailed CAP, describing follow-up actions and engagement. That CAP demonstrated closure of all Partly/Non-Aligned items except two Social Standard criteria (“Legal Tender” and “Non-retaliation”), which SIZA staff has shared with audit firms, provisionally approved, and is currently shepherding through the SIZA Social Standard review process to obtain formal approval.

## **2.2. Result of the public consultation**

Public consultation pending

## **2.3. Recommendation to the SSCI Steering Committee**

Based on SIZA's transparency, cooperation, receptiveness, diligence, and commitment in aligning with SSCI criteria, the BL expects that SIZA will fully align with SSCI in the coming months.

At the time of writing this report, two criteria remain "Partly Aligned." However, SIZA staff has provisionally approved draft language for each, which the BL deemed sufficient, and is actively seeking formal approval through its Social Standard review process.

The BL recommends that the SSCI Steering Committee provisionally recognize SIZA, with the contingency that once the two remaining criteria are fully aligned, as confirmed by the BL, then CGF staff may formally and publicly issue SSCI recognition to SIZA.

## 3. Results of Assessment and Office Visit

### 3.1. Time and location details

	Location	People present (e.g. SSCI, consultant, Scheme Owner. Names and roles)	Date and time
<b>Self-assessment desktop review</b>	Three reviews (one by SSCI Team, two by BL), following receipt of initial materials	<b>SIZA Team:</b> Retha Louw, Werner van Dyk <b>SSCI Team:</b> Erin Bush, Marie-Claude Quentin <b>BL:</b> Reuben Levy	Between June and October 2022
<b>Feedback calls</b>	Conducted via Zoom	<b>SIZA Team:</b> Retha Louw, Werner van Dyk <b>SSCI Team:</b> Erin Bush, Marie-Claude Quentin <b>BL:</b> Reuben Levy	October 12, 2022
<b>Office visit</b>	SIZA Headquarters	<b>SIZA Team:</b> Retha Louw, Werner van Dyk <b>SSCI Team:</b> Erin Bush (remote) <b>BL:</b> Reuben Levy	December 7-8, 2022

### 3.2. Overview

- ▶ SIZA initially submitted its Self-Assessment Questionnaires (SAQs) for both scopes on June 27, 2022. However, the SSCI Team and BL determined that there appeared to be some misunderstandings about how to complete the SAQs and how to provide supporting documentation. Prior to the BL conducting a detailed review, the SSCI Team provided additional clarification to SIZA and requested SIZA to revise and resubmit the SAQs.
- ▶ SIZA representatives were receptive to the feedback, conducted a comprehensive update of their SAQs, and resubmitted the SAQs for both scopes on August 8, 2022, which the BL received on August 10.
- ▶ The BL conducted a Desktop Review and sent results to SIZA on September 23, inviting SIZA to provide further clarity or evidence prior to the Feedback Call.
- ▶ SIZA provided its updated SAQs to the BL on September 27, and the BL conducted a second review, sending results to SIZA on October 9.
- ▶ The SSCI Team, BL, and SIZA Team, held a feedback call on October 12, during which the BL explained seven Partially or Nonaligned criteria across the two scopes. During the call, SIZA representatives were receptive to the feedback, provided clarity for one gap that the BL accepted immediately, expressing willingness to provide additional evidence for

one criterion, and expressed willingness to engage their Board of Directors to enhance SIZA’s scheme management and social standard to address:

- Scheme Management A1.03 – Adequate evidence of arrangements to cover liabilities arising from its operations,
  - Social Standard 3.09 (both scopes) – Secure storage option for personal documents and valuable possessions (NOTE: SIZA later argued, and BL agreed, that the SIZA Standard does align with SSCI criteria.)
  - Social Standard 7.04 (both scopes) – Requiring that health and safety training is provided to all members of the facility at no cost and taking place during remunerated working hours,
  - Social Standard 10.05 (Primary Production) / 9.05 (Processing and Manufacturing) – Specifying that payments to workers are made in “legal tender,” and
  - Social Standard 12.03 (Primary Production) / 11.03 (Processing and Manufacturing) – Prohibition of retaliation against individuals or groups that submit complaints.
- ▶ Based on SIZA’s extent of alignment and commitments to remediate gaps, the SSCI Team and BL determined that it was appropriate to begin planning the Office Visit.
  - ▶ On November 18, a SIZA representative and the BL held a virtual meeting to view SIZA’s audit management platform, in order for the BL to identify documents to potentially request for the Office Visit.
  - ▶ Prior to the Office Visit, on November 23, the BL sent the SIZA a team a draft agenda for the Office Visit and a potential list of 24 audits, from which the BL would sample during the Office Visit.
  - ▶ The BL conducted the Office Visit on December 7-8, at the SIZA headquarters. SIZA representatives were engaged, cooperative, transparent, and receptive throughout the Office Visit. The Office Visit was conducted in English. All audit reports are written in English, and any non-English entries in the Complaint Tracker were translated to English by SIZA staff.
  - ▶ During the Office Visit, the BL reviewed progress on SAQ gaps, complaint and appeals tracker, and five audit reports with associated audit firm and auditor documentation. The five sampled audits comprised:
    - Two farms that were under the SSCI Primary Production scope and three farms that included packing facilities, thus under SSCI Processing and Manufacturing scope,
    - One farm deemed by SSCI as “Smallholder” (SIZA deemed “Emerging Grower”),
    - One farm on the border of Namibia, thus testing SIZA’s use of South African labor regulations as part of its standard implementation,
    - One SSCI-deemed verification audit and its prior audit (in this case, an original annual audit and a subsequent “Between Audit Monitoring Visit,” that SIZA conducts), and
    - One multi-site audit.
  - ▶ The Office Visit found five Partly Aligned and one Nonaligned criterion.
  - ▶ In early-2023, SIZA representatives followed up on all necessary corrective actions, updating policies and processes, and conducted and documented meetings with audit managers at relevant audit firms regarding these open issues.



- ▶ On March 6, SIZA representatives submitted a comprehensive explanation of their actions to-date and planned. On March 10, the BL acknowledged alignment of all criteria except two updates to the standards, which if SIZA's provisionally approved language is implemented, then SIZA will demonstrate Full Alignment with SSCI criteria. Those two remaining criteria are detailed in Section 4.2.

## 4. General compliance, strengths and weaknesses

- ▶ SIZA proved to have established both a comprehensive Social Standard and Scheme Management system. Where gaps existed with SSCI criteria, SIZA representatives were quick to acknowledge these differences and create plans for engaging necessary parties to bring SIZA into alignment with SSCI.
- ▶ SIZA representatives' responsiveness, receptiveness, cooperation, and transparency throughout the benchmarking process demonstrated a willingness to attain and maintain alignment with SSCI.
- ▶ SIZA has implemented a robust data management platform ("MySIZA"), which facilitates effective engagement farms and auditors, captures necessary information for tracking compliance status, remediation activities, and audit scheduling, and which enabled a clear and efficient means for the BL to evaluate SIZA. Additionally, the MySIZA platform creates controls, such as requiring different users from auditors to approve audit reports, thus creating an auditable trail of an audit report from preparation, through technical review, distribution, confirming closure of corrective actions, and issuance of an audit completion letter.
- ▶ As an additional means of control to protect the SIZA's credibility and the credibility of its reporting, the MySIZA platform enables SIZA and its partners to protect against fraud and manipulation of SIZA-branded reports. In at least one instance, SIZA representatives detected such manipulation of an audit completion letter that had been sent via email, and the SIZA representatives took appropriate action. SIZA has instructed retailers and other partners only to accept audit reports and audit completion letters by downloading such files from the MySIZA platform, not by accepting such files via email.
- ▶ SIZA requires that all auditors are certified by the Association of Professional Social Compliance Auditors (APSCA).
- ▶ SIZA conducts "Between Audit Monitoring Visits" at no cost to farms. Such visits, conducted on a sample of farms, are intended to review and confirm closed CAPs and provide additional guidance to farms. The SIZA monitors conducting these visits are not APSCA-certified but have attended SIZA trainings.
- ▶ Where audited farms rely upon labor brokers, which SIZA labels as "Temporary Employment Services," SIZA requires that auditors conduct audits of respective Temporary Employment Services providers as well. Such audits result in audit reports and audit completion letters, categorized in the MySIZA platform under "Temporary Employment Services."
- ▶ In evaluating SIZA against the SSCI Social standards, the BL focused primarily on the "SIZA Standard" document, which comprises "Code Requirement" statements, supported by "Benchmarks" against which farms are measured, and further clarified by "Guidance Notes." Additionally, SIZA provided other relevant documents, such as the SIZA Fire

Safety Guide, the SIZA Guide to Health & Safety Management, the SIZA Guide to Accommodation, and South African legal regulations. Together, such materials provided enough evidence to demonstrate SIZA’s alignment with SSCI criteria. However, throughout the SSCI Self-Assessment Questionnaire, the BL noted where SIZA was technically aligned but could demonstrate clearer, more explicit alignment by expanding upon particular references in the “SIZA Standard” document itself. On such criteria, SIZA’s alignment was evident to the BL, who was reviewing a comprehensive set of SIZA documentation, but could be less evident to a stakeholder who may only download the “SIZA Standard” from the SIZA website.

#### **4.1. Changes made to the Scheme following the benchmarking assessment**

Based on the SSCI Benchmarking Process and the BL’s findings, SIZA enhanced procedures and drafted new policy to align with SSCI criteria. Changes to Scheme Management and Social Standards include:

- ▶ **Scheme Management – Scheme Governance A1.03 (Both Scopes)**, “The Scheme Owner shall have adequate arrangements to cover liabilities arising from its operations.”
  - SIZA’s Service Level Agreements with third-party audit firms had already required each firm to obtain and maintain “[A]ppropriate and adequate insurance cover in relation to any potential liability SIZA deems necessary...”
  - Following the Office Visit, SIZA obtained Directors’ and Officers’ liability insurance, in line with its own Memorandum of Incorporation.
- ▶ **Scheme Management – Standard Setting and Maintenance A5.01 (Both Scopes)**, “The Scheme Owner shall have a document control procedure in place to ensure that all of the scheme’s normative documents are appropriately controlled and publicly available.”
  - At the time of the Desktop Review, SIZA lacked a clear, up-to-date inventory demonstrating how policy documents are tracked, managed, and stored, while keeping record of various versions created. SIZA created such a Document Register prior to the Office Visit, but that Document Register presented some inconsistencies.
  - Based on the Office Visit CAP, SIZA updated the Document Register and committed to continue doing so regularly as any document version is updated.
- ▶ **Scheme Management – Audit Protocol B4.09 (Both Scopes)**, “The Scheme Owner shall require that audits include worker and management interviews, the observation of processes and activities and the review of relevant documentation and records.”
  - During the Office Visit, the BL noted that although “Management Interviews” are mentioned in Audit Reports as a reference, multiple sampled audits had not discussed Management Interviews as a specific activity, and it was unclear who took part in the Management Interviews.
  - Based on the Office Visit CAP, SIZA conducted and documented a formal discussion with all the audit managers at all the approved audit firms pertaining to this topic, during which audit firms were instructed that auditors should include the position/levels of management who participate in the audit process and interviews in the audit report.

- ▶ **Scheme Management – Follow-up Action A6.02 (Both Scopes)**, “The Scheme Owner shall require the auditee to perform a root cause analysis of the non-conformities found.”
  - During the Office Visit, the BL noted that although SIZA includes Root Cause Analysis as a topic for Auditor training, it is not included as an element in CAPs, and CAPs reviewed by the BL did not demonstrate that auditees are aware of root causes of findings.
  - Based on the Office Visit CAP, SIZA conducted and documented a formal discussion with all the audit managers at all the approved audit firms pertaining to this topic. SIZA documented that audit managers confirmed their own firms’ use of Root Cause Analysis and further training on the topic, as well as that “[A]uditors will indicate whether the audited sites also implement a similar process as part of their corrective action review in establishing their own risks/remedial actions.” Additionally, the Root Cause Analysis approach will also be included in the auditor’s description under the “Summary of Findings” section in the audit report.
- ▶ **Social Standard – Wages 10.05 (Primary Production) / 9.05 (Processing and Manufacturing)**, “The standard shall require that wages are paid regularly, in a timely manner and in full. All payments are made directly to the employee in legal tender or into a bank account in their name. The standard shall indicate whether and to what extent employees receive any in-kind payment or benefits. Any allowable in-kind payment or benefits shall be written in the employment terms and conditions.”
  - During the Desktop Review, the BL noted that SIZA did not specify that payments to workers are made in “legal tender.”
  - During the Office Visit, SIZA provided the BL with draft language and a plan for updating the SIZA Standard, which the BL deemed appropriate. Based on the Office Visit CAP, SIZA confirmed the language and plan with audit managers, and SIZA staff provisionally approved the language revision, which has been included among SIZA’s 2023 Code Requirement Amendment Proposals for formal approval through the SIZA Social Standard review process.
- ▶ **Social Standard – Grievance Mechanisms 12.03 (Primary Production) / 11.03 (Processing and Manufacturing)**, “The standard shall require that no worker or external party that lodged a complaint in good faith is retaliated against.”
  - During the Desktop Review, the BL noted that the SIZA Standard lacks mention of “non-retaliation” against individuals or groups that submit complaints.
  - During the Office Visit, SIZA provided the BL with draft language and a plan for updating the SIZA Standard, which the BL deemed appropriate. Based on the Office Visit CAP, SIZA confirmed the language and plan with audit managers, and SIZA staff provisionally approved the language revision, which has been included among SIZA’s 2023 Code Requirement Amendment Proposals for formal approval through the SIZA Social Standard review process.
- ▶ **At various points throughout the “SIZA Standard,”** SIZA representatives agreed that interpretive “Guidance Notes” could be written more clearly and with greater detail in a future version of the document, particularly in how such guidance references South African legal regulations and SIZA’s own fire safety, health and safety management, and accommodations guidance materials.

## 4.2. List of findings – Desktop Review and Office Visit

Following the Office Visit, two non-conformities remain “Partly Aligned.” However, SIZA staff has provisionally approved draft language for each, which the BL deemed sufficient, and is actively seeking formal approval through its Social Standard review process.

SSCI Benchmarking Requirements Part	SSCI Scope	Criterion Number, Chapter	Non-conformity	Partly / no	Action from Scheme Owner	Recommendation from Benchmark leader	Decision from SSCI Manager
Part III – Social Standard	Primary Production	10.05, Wages	Payment in Legal Tender: Standard lacks mention of "legal tender" for payment. SIZA provided draft text and a plan that was sufficient for the Benchmark Leader. The finding will remain open until new content is approved by the SIZA Board for inclusion in the Standard.	Partly	SIZA concluded a formal discussion on the 16th of February 2023 with all the audit managers at all the approved audit firms pertaining to this topic. The group agreed that the Standard review process can include the wording for legal tender allowed for by law for Code Requirement 8.1.1.4. in the SIZA Social Standard with inclusion of the legal requirements as part of the benchmark and guidance noted. Please see Agenda point 8.3.4. on page 5 in the latest Meeting Minutes in the shared folder under 10.05. Please also see the proposed changes which was provisionally approved, and currently undergoing the formal SIZA Social Standard review process in the Shared Folder under "Code Requirement Amendment Proposals 2023".	March 10, 2023 (Benchmark Leader): If provisionally approved changes are fully adopted, then SIZA will demonstrate this criterion as "FULLY ALIGNED."	Considering the commitment established by SIZA to fully-align with this requirement and the evidence provided, the SSCI team agrees with the BL and understands that the implementation of the proposed actions can be verified within a defined deadline (e.g: until the MCA visit) and therefore recommends the continuity of the process (public consultation).
	Processing and Manufacturing	9.05, Wages					

SSCI Benchmarking Requirements Part	SSCI Scope	Criterion Number, Chapter	Non-conformity	Partly / no	Action from Scheme Owner	Recommendation from Benchmark leader	Decision from SSCI Manager
Part III – Social Standard	Primary Production	12.03, Grievance Mechanism	Non-Retaliation: Standard lacks mention of "Non-Retaliation" against individuals or groups that submit complaints. SIZA provided draft text and a plan that was sufficient for the Benchmark Leader. The finding will remain open until new content is approved by the SIZA Board for inclusion in the Standard.	Partly	SIZA concluded a formal discussion on the 16th of February 2023 with all the audit managers at all the approved audit firms pertaining to this topic. The group agreed that the Standard review process can include the wording for 'non-retaliation' for Code Requirement 6.4.3. in the SIZA Social Standard. Please see Agenda point 8.3.5. on page 5 in the latest Meeting Minutes in the shared folder under 12.03. Please also see the proposed changes which was provisionally approved, and currently undergoing the formal SIZA Social Standard review process in the Shared Folder under "Code Requirement Amendment Proposals 2023".	March 10, 2023 (Benchmark Leader): If provisionally approved changes are fully adopted, then SIZA will demonstrate this criterion as "FULLY ALIGNED."	Considering the commitment established by SIZA to fully align with this requirement and the evidence provided, the SSCI team agrees with the BL and understands that the implementation of the proposed actions can be verified within a defined deadline (e.g: until the MCA visit) and therefore recommends the continuity of the process (public consultation).
	Processing and Manufacturing	11.03, Grievance Mechanism					

## **5. Results of the Public Stakeholder Consultation**

### **5.1. Executive summary**

TBC

## 5.2. List of findings – public stakeholder consultation

Criterion Number, Chapter	List of issues raised	Answer from Scheme Owner	Recommendation from Benchmark leader	Decision from SSCI Manager