



SIZA SOCIAL (ETHICAL) MONITORING & EVALUATION REPORT

Quarterly Update for the
period Q3 2020/2021



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SIZA Data Platform update

The SIZA programme started in 2008 and was registered as an independent non-profit entity in 2016. SIZA had two previous data platforms, which were replaced by the recently developed the third platform, namely *MySIZA*, which was completed and implemented in June 2020. The new platform development is modern and upmarket and gives a comprehensive overview of data and the graphical features are upmarket and modern. Risks are easily defined and visible to all members to ensure that continuous improvement can take place beyond the audit process. SIZA started in Q3 of 2020 with the scoping of an additional component which will be a KPI and monitoring tool. The current market requirements is for digital recordkeeping to be in place and the KPI tool will also support this. It will further be able to proof improvement / progress that SIZA members is making with regards to the SIZA code principles

Scope of the report

Quarterly Report: 1 January 2021 – 31 March 2021



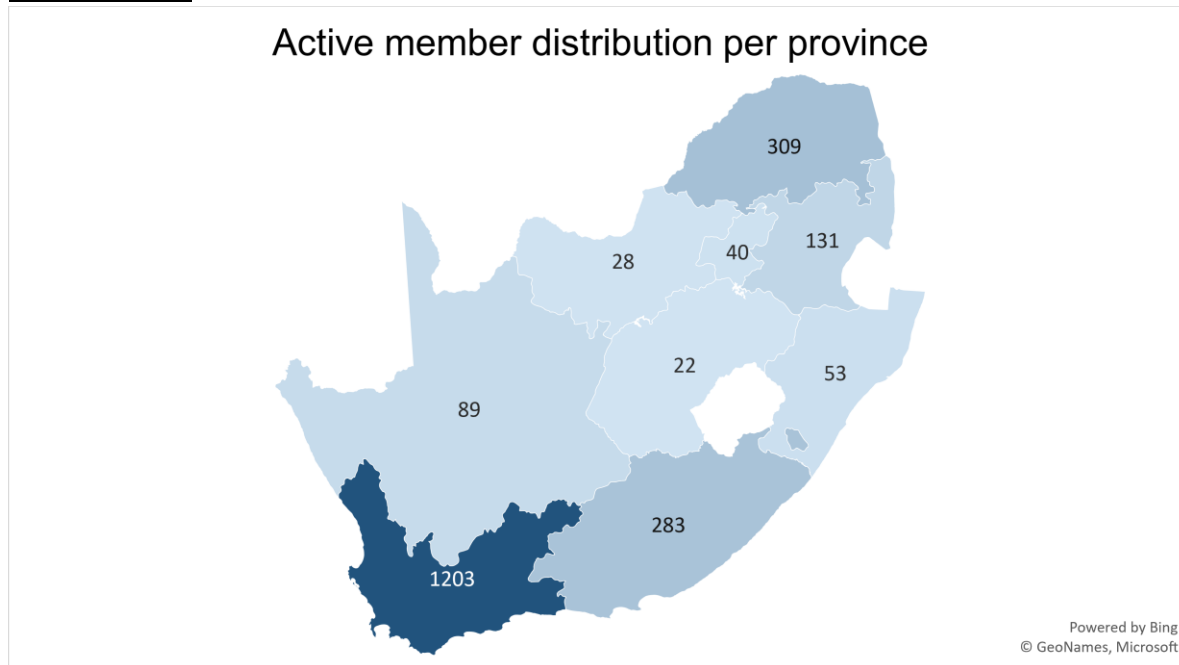
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Independently compiled by Francois Brink (Skyvines)

A. Quarterly Report – Q3 2020/2021

1. SIZA Membership breakdown

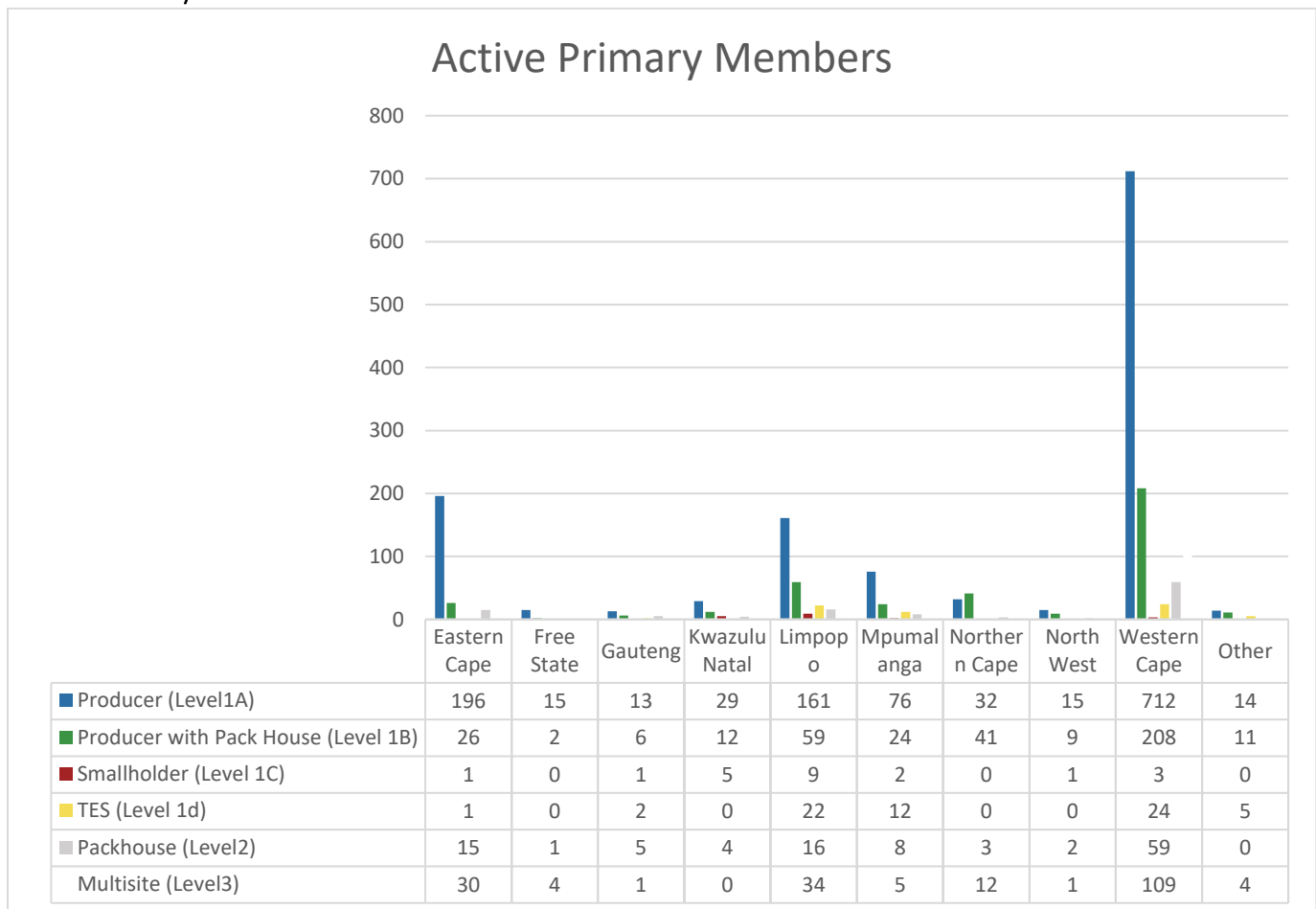
1.1. Active members



On 11 April 2021, there were 2237 active SIZA members on the *MySIZA* platform. This is nett growth of 2.88% (61 members) more than last reported period. Compared to same period 12 months ago, it is an increase of 8.02%.

The Western Cape still records the highest SIZA membership which is currently on 1203 active members, followed by Eastern Cape and Limpopo.

1.2. Primary members

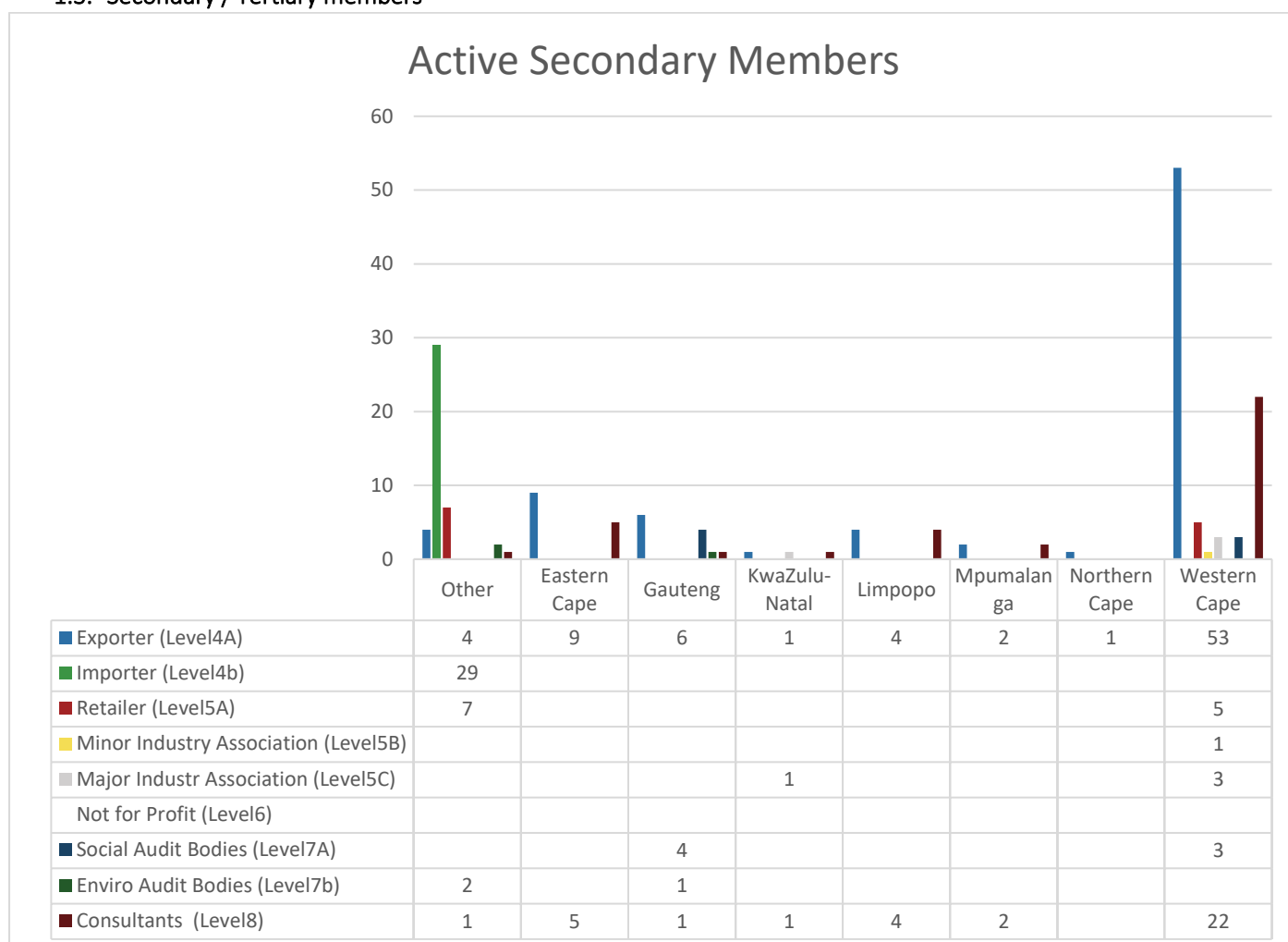


Primary members (those that qualify or would be required to undertake 3rd party audits) have increased by 2.49% during Q3 of 2020/2021. This shows an increase of 50 members since end December 2020.

The highest percentage of members remains to be Level 1A, meaning a grower with one farm and no packhouse. Level 1A currently represents 61.25% of all primary members and 712 (56.37%) of all Level 1A growers are based in the Western Cape.

The continued improvement of Ethical Trade and Fair Labour practices on farms in South Africa are focused at this group.

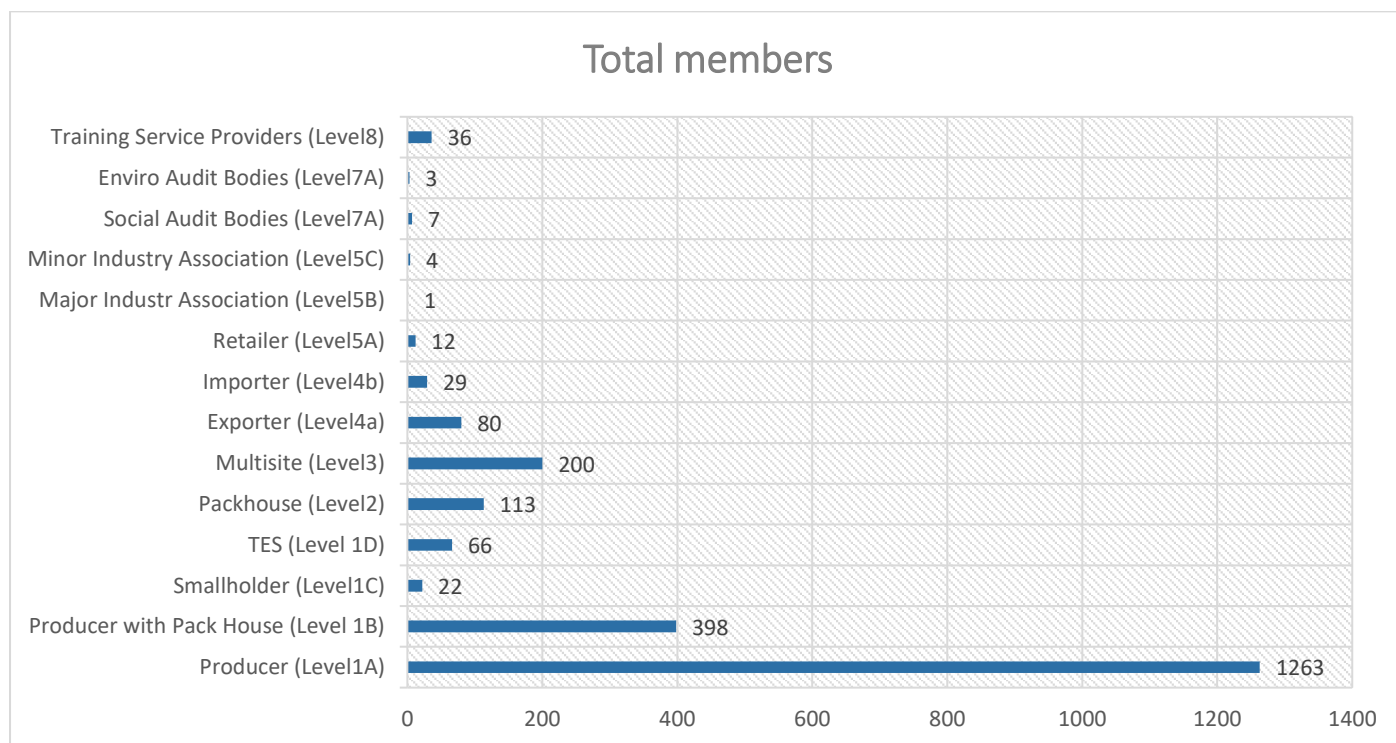
1.3. Secondary / Tertiary members



Secondary and Tertiary members are those members that are either managing risks through auditing primary members or those that are service and remedy providers to the SIZA programme. A total of 172 members are registered on the SIZA platform and several of the buyers from suppliers in South Africa choose to have visibility via the Sedex platform in the FSA-AB account. SIZA have also implemented an interface with the GLOBALG.A.P. database where observers are able to see a status update of SIZA members on the GLOBALG.A.P. database. Further information about SIZA acceptance is detailed in the last section of this report.

1.4. Active members per type

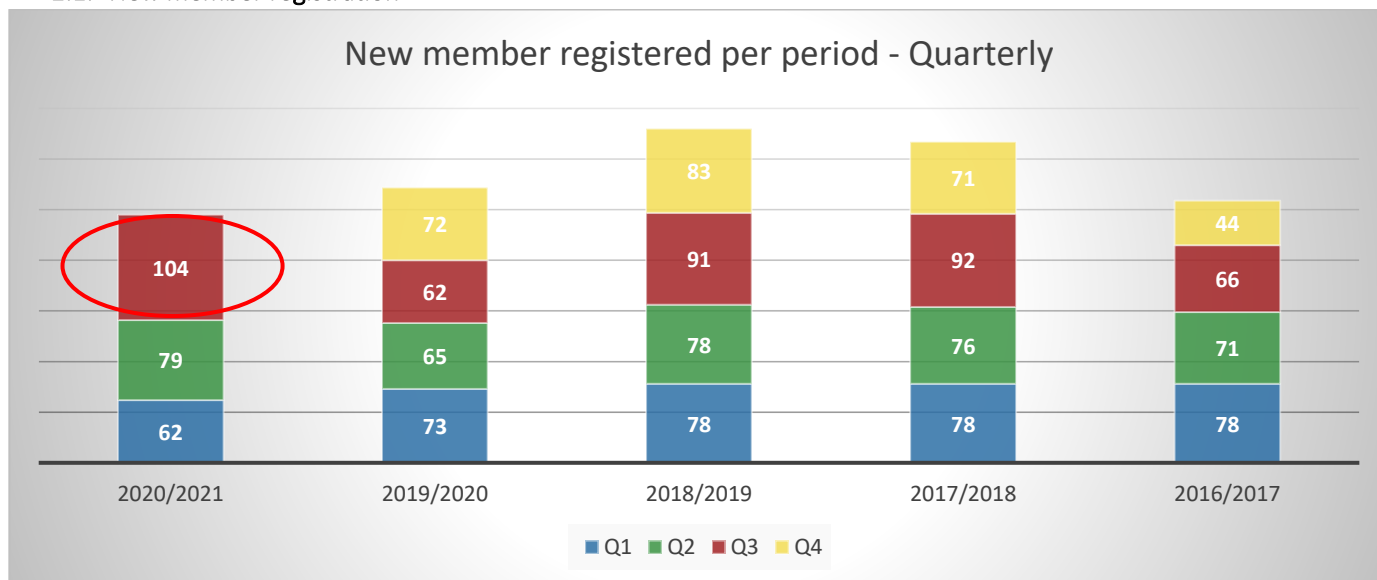
The total membership comes to 2234 of which 1263 are Producers (Level 1A) which represents 56.46% of the total membership base.



2. New members / Renewals

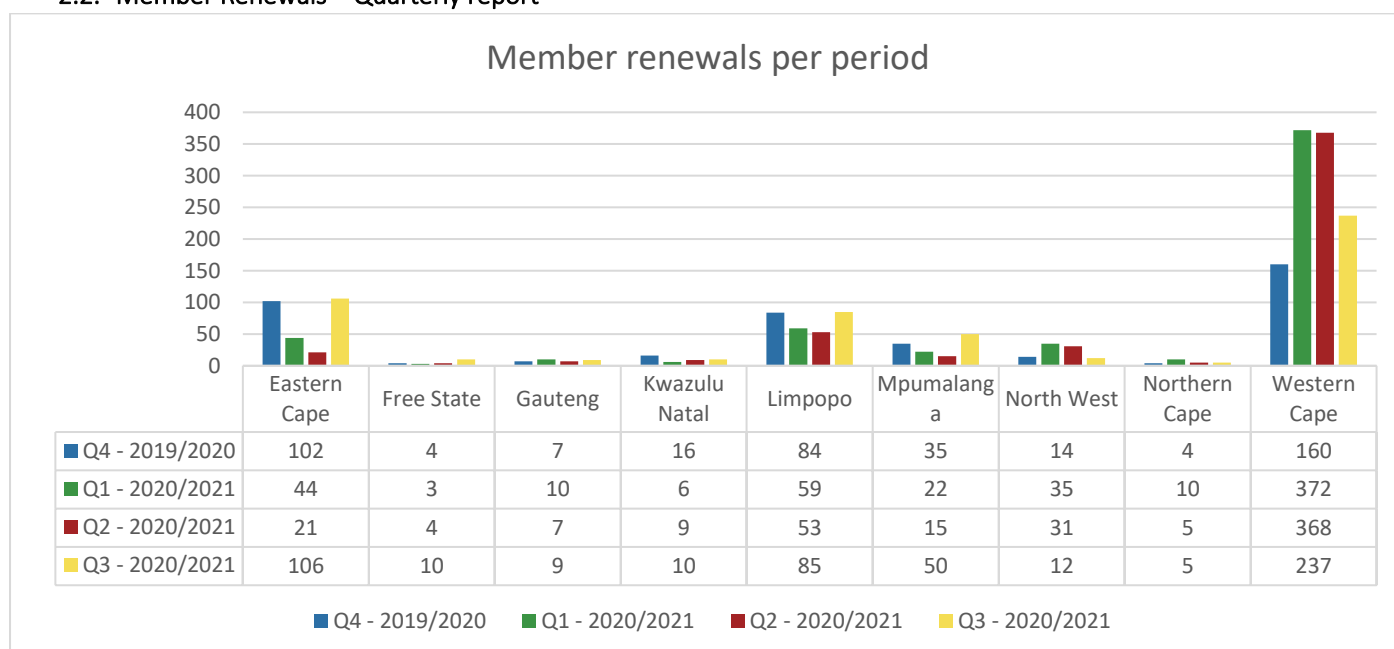
This section indicates the growth of the SIZA membership base. The MySIZA Platform has helped SIZA in managing the new registrations as well as providing easy access to information on renewal of memberships that needs to take place.

2.1. New member registration



104 new members registered in this period.

2.2. Member Renewals – Quarterly report



In Q3 of 2020/2021 a total of 547 members renewed the SIZA subscriptions. There were 237 in the Western Cape which accounted for only 43% of renewals.

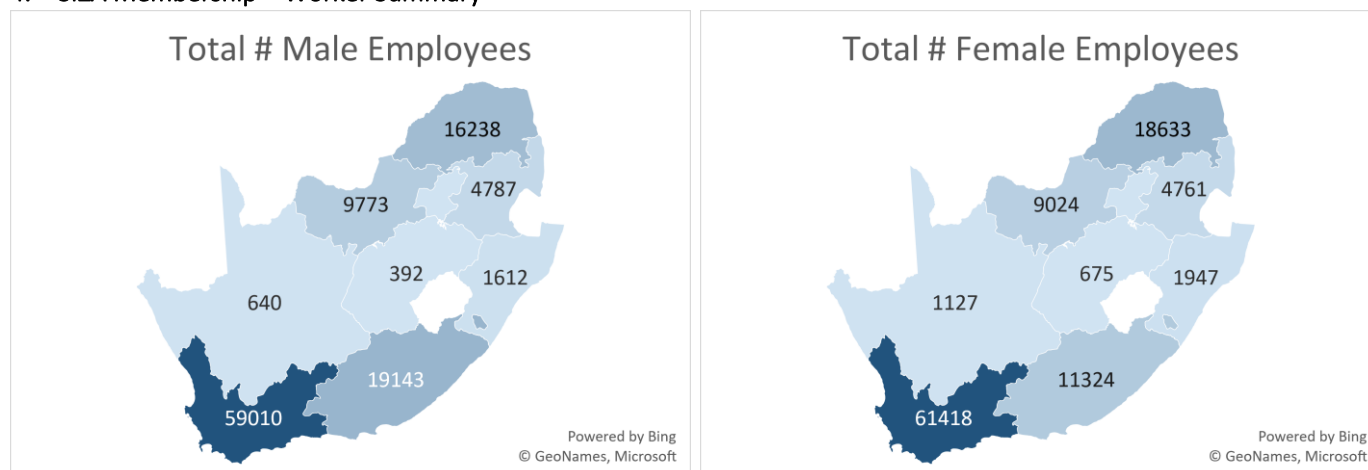


3. Membership per industry

On the new MySIZA platform, a new more detailed breakdown of commodities is used. SIZA members have contributed to completing the data and of all the members there is 552 (288 Western Cape) members which have not yet updated their industry information – and these members have not been considered for the breakdown percentages.

Commodity	All Provinces		Western Cape	
	Amount of Sites Reporting Commodity	% of com indicated sites	Amount of Sites Reporting Commodity	% of com indicated sites
Citrus - Oranges	419	28.0%	139	16.2%
Citrus - Lemons	418	27.9%	175	20.4%
Citrus - Soft Citrus	390	26.0%	181	21.1%
Pome Fruit - Pears	287	19.1%	262	30.6%
Table Grape	282	18.8%	198	23.1%
Pome Fruit - Apples	262	17.5%	224	26.1%
Stone Fruit - Plums	227	15.1%	221	25.8%
Stone Fruit - Peaches	185	12.3%	175	20.4%
Subtropical - Avocados	160	10.7%	10	1.2%
Wine Grapes	154	10.3%	148	17.3%
Citrus - Grapefruit/Pomelo	126	8.4%	19	2.2%
Stone Fruit - Nectarines	119	7.9%	110	12.8%
Fresh Vegetables	112	7.5%	65	7.6%
Berries	109	7.3%	65	7.6%
Stone Fruit - Apricots	101	6.7%	95	11.1%
Nuts & Seeds	86	5.7%	10	1.2%
Other Products not listed above	57	3.8%	31	3.6%
Pomegranates	37	2.5%	34	4.0%
Subtropical - Mangoes	36	2.4%	4	0.5%
Citrus - Limes	35	2.3%	19	2.2%
Subtropical - Litchis	34	2.3%	2	0.2%
Figs	30	2.0%	26	3.0%
Bananas	24	1.6%	2	0.2%
Dried Fruit & Vegetables	22	1.5%	9	1.1%
Canning Fruit	21	1.4%	21	2.5%
Flowers & Ornamentals	21	1.4%	14	1.6%
Olives	19	1.3%	19	2.2%
Meat	17	1.1%	10	1.2%
Persimmons/ Sharon Fruit	16	1.1%	15	1.8%
Stone Fruit - Cherries	16	1.1%	9	1.1%
Tea & Beverages	15	1.0%	15	1.8%
Guavas	14	0.9%	8	0.9%
Granadilla / Passionfruit	10	0.7%	4	0.5%
Kiwis	10	0.7%	5	0.6%
Dairy Products	5	0.3%	4	0.5%
Grain, Bread & Bakery Products	5	0.3%	3	0.4%
Wool / Mohair	5	0.3%	5	0.6%
Dragon Fruit	4	0.3%	2	0.2%
Eggs	4	0.3%	2	0.2%
Sugar	4	0.3%	2	0.2%
Seasonings & Preservatives	3	0.2%	2	0.2%
Marine	2	0.1%	2	0.2%
Poultry	2	0.1%	2	0.2%
Hops	1	0.1%	1	0.1%
Pineapples	1	0.1%	1	0.1%

4. SIZA Membership – Worker Summary



The following summary seeks to present information relating to farm workers involved with the SIZA program. Data was obtained from 'approved' SAQs for the last 12 months.

During the SAQs, primary members are asked to complete a table and list the following:

- Permanent (Male and Female)
- Temporary (Male and Female)
- Migrant (Male and Female) – “This worker type is a foreign National which do not hold South African passport and would need legal authorization to work in South Africa e.g. Lesotho or Zimbabwean workers”
- Agency (Male and Female) – “This worker type is recruited and paid via a 3rd party e.g. Labour Brokers, Labour Service Providers, Temporary Employment Service Provider or Sub Contractor”

The table below indicates the worker distribution per province and worker type.

Province	Permanent	Temporary	Migrant	Agency	Total
Other	1182	3285	78	10	4555
Eastern Cape	6744	20340	2193	1190	30467
Free State	258	809	0	0	1067
Gauteng	240	708	130	3	1081
Kwazulu Natal	1205	1430	15	909	3559
Limpopo	11437	18472	3163	1799	34871
Mpumalanga	4335	4802	365	46	9548
North-West	2222	16451	124	0	18797
Northern Cape	451	1033	282	1	1767
Western Cape	33889	72747	8194	5598	120428
Total	61963	140077	14544	9556	226140

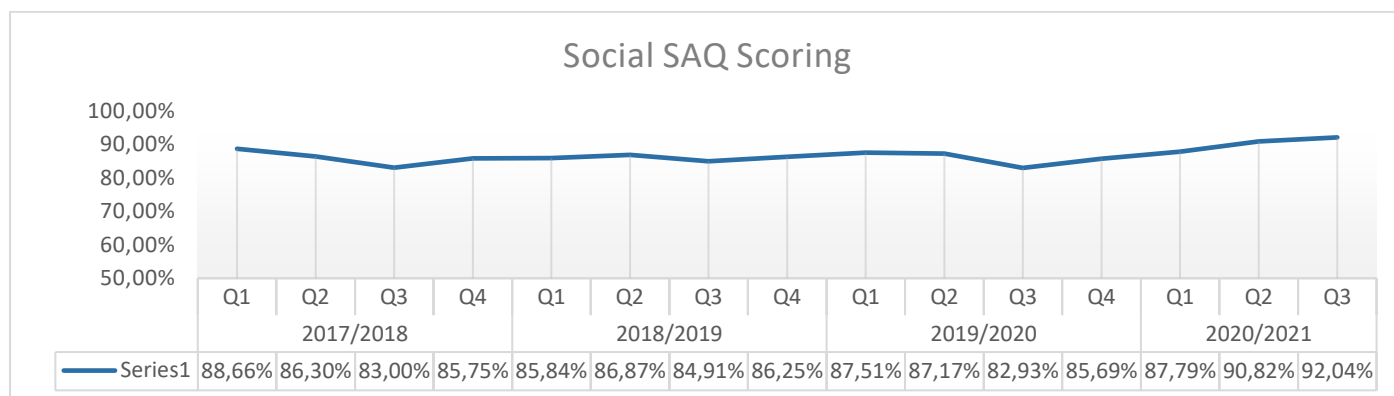
Western Cape accounts for the highest number of employees due to the large number of memberships that is based in the Western Cape. 53.25% of all farm workers are Western Cape based.



5. Self-Assessment Questionnaire (SAQ)

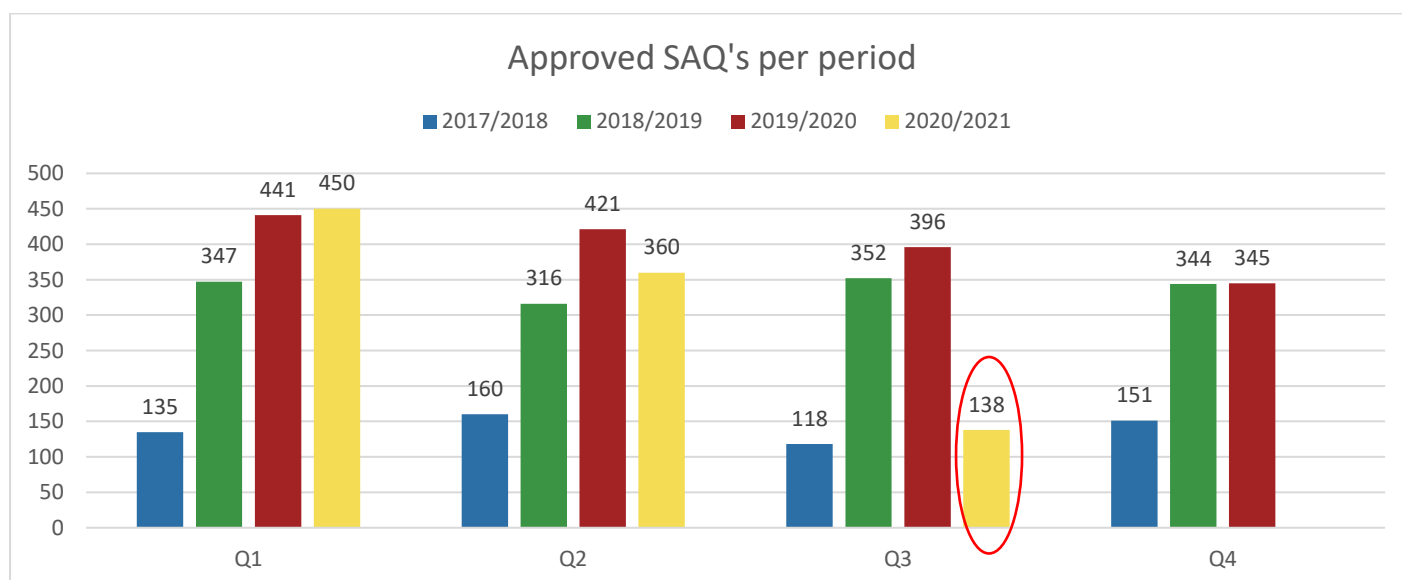
The purpose of SAQs is for the primary members to have an opportunity for self-evaluation. It is also important for the auditing process as the auditors will be using the SAQ information as a benchmark during the 3rd party audit.

The SAQ will also indicate growth from year to year as the primary members are required to complete an SAQ on an annual basis. The *MySIZA* platform allows feedback to the member by means of a risk indicator.



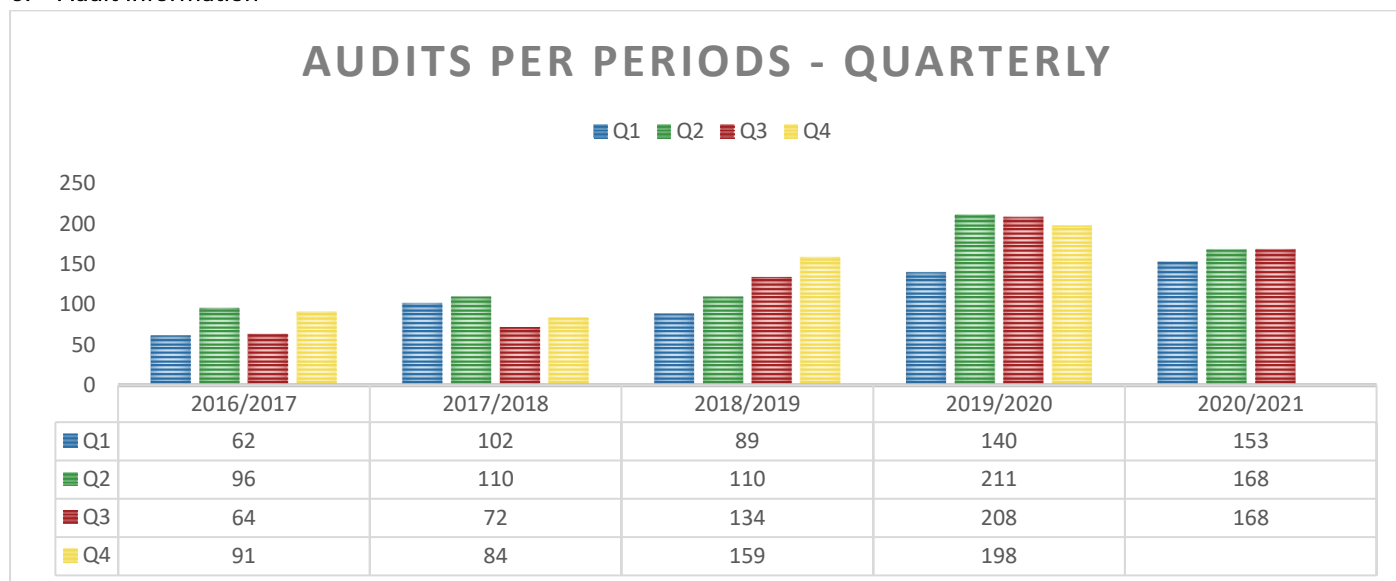
The average score obtained for all approved SAQs in Q3 of 2020/2021 is standing on 92.04%. This is the highest average score since the start of reporting.

Members are required to complete SAQ on the *MySIZA* data platform. Members need to have an 'Approved' SAQ before they can qualify to be audited. It is also a requirement to submit SAQ annually. An SAQ with 'Approved' status means it has been reviewed and approved by SIZA.



In Q3 of 2020/2021 a total of 138 SAQs were approved.

6. Audit Information



- In Q3 of 2020/2021 - 168 audits were done.

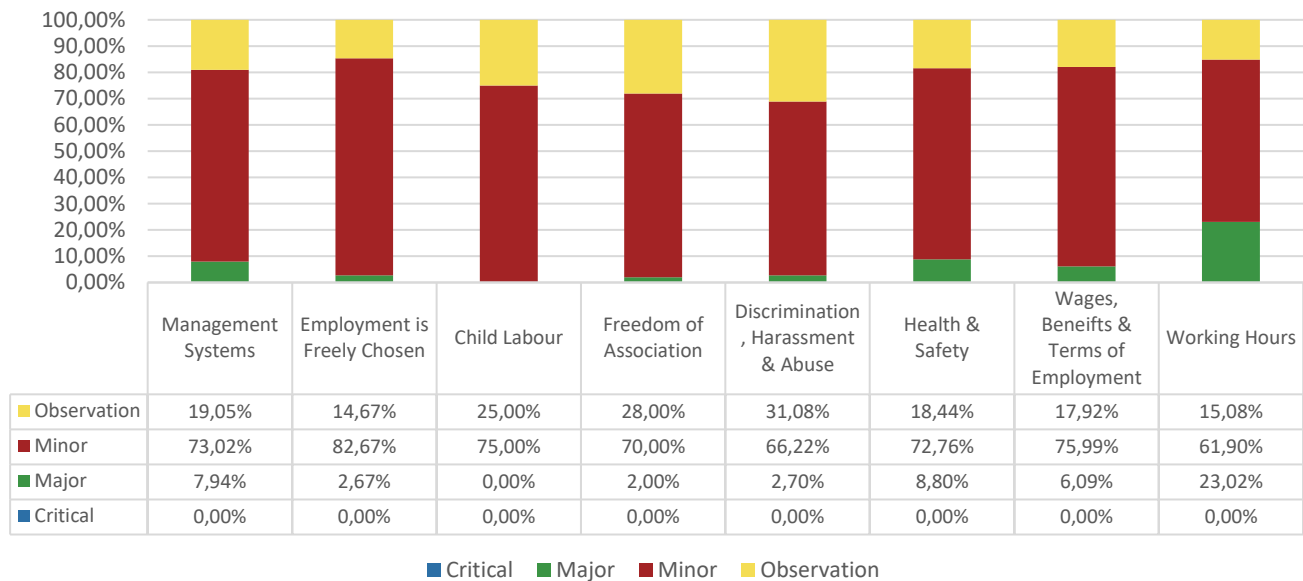
7. Non-Conformances

The non-conformances raised during audits is indicative of the risk areas in the industry. Future data will also show improvement by means of a decrease in total number of non-compliances raised.

The SIZA program monitors compliances in the following areas:

- Management systems
- Forced Labour (Employment Freely Chosen)
- Child Labour
- Freedom of Association
- Discrimination, Harassment & Abuse
- Health & Safety
- Wages, Benefits and Terms of Employment
- Working Hours

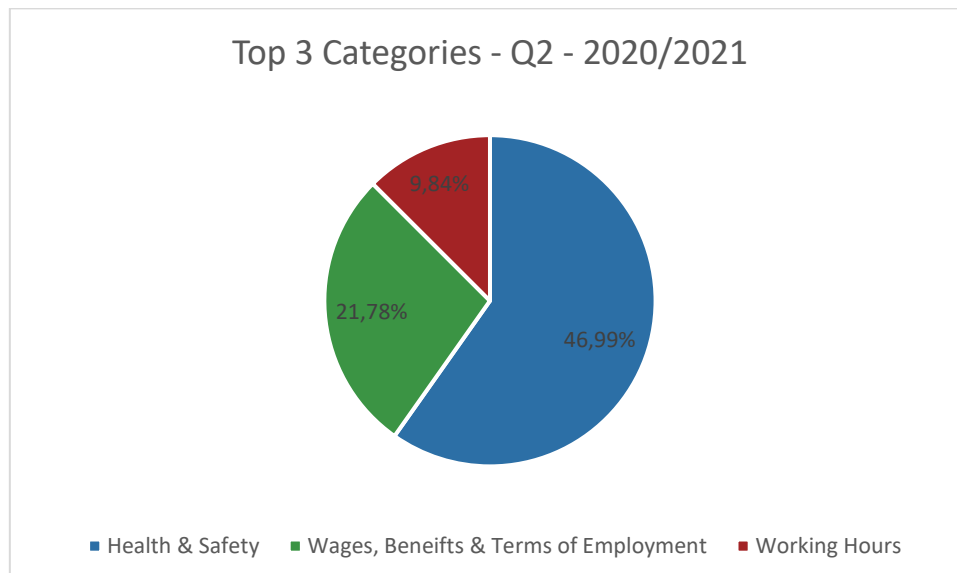
NC Distribution per Category - Q2 2020/2021



In Q2 – 2020/2021 the 3 main NC contributors have dominated again areas of non-conformance – a total of 78.61% coming from these 3 categories nationally.

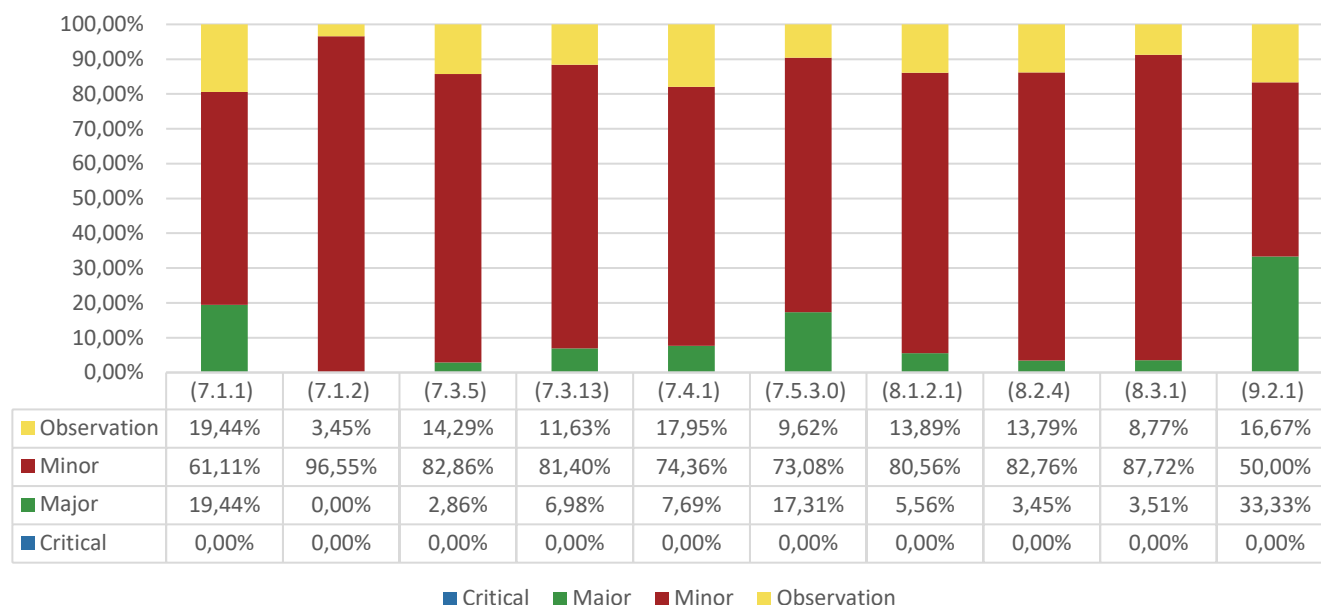
- Health & Safety
- Wages, Benefits and Terms of Employment
- Working Hours

Top 3 Categories - Q2 - 2020/2021



7.1. Top 10 Non-Compliant Areas

Top 10 NC Questions - Q2 - 2020/2021



30.60% of all non-conformances were raised under the 10 questions listed below.

(7.1.1) Are there adequate systems in place to ensure the effective management of health and safety?

(7.1.2) Does the site have a documents health & Safety Risk assessment

(7.3.5) Is appropriate PPE provided?

(7.3.13) Are appropriate measures taken to control the risk posed by latent infrastructural risks such as dams, CA stores, etc.?

(7.4.1) Is machinery and equipment maintained to be in a good state of repair?

(7.5.3.0) Does worker housing meet basic health, safety and hygiene requirements as set out in this Standard and local law?

(8.1.2.1) Do workers receive payslips with each pay period and do payslips contain all the information required by law?

(8.2.4) Do workers qualify for Sick leave?

(8.3.1) Do all workers (including seasonal /temporary workers) have written contracts of employment?

(9.2.1) Where overtime is worked does it conform to all legal requirements?

8. Risk distribution

The risk of individual producers is categorized by using a scoring matrix which divides risks into categories of Critical, Major, Minor and Observations. Non-compliances and observations are classified according to:

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

A minor non-compliance is:

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



A major non-compliance is:

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

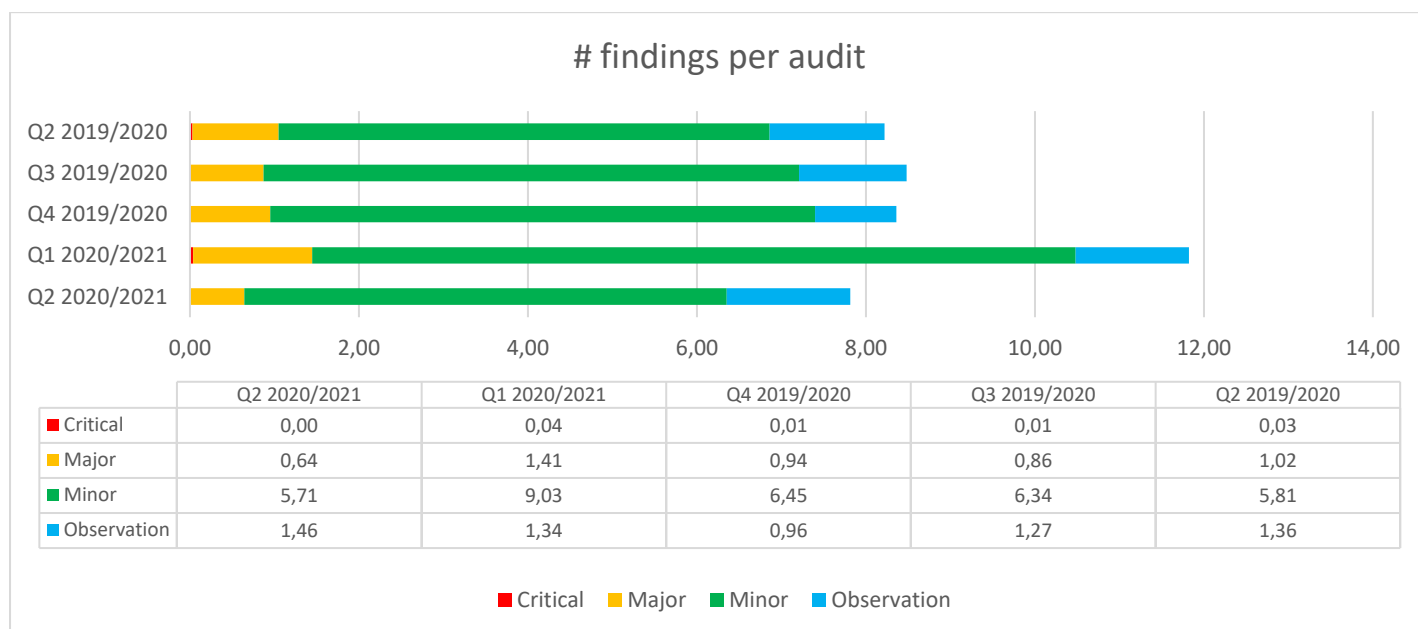
A critical non-compliance is:

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

During the Q2 – 2020/2021 73.04% of all findings were minors. No critical non-conformances were raised during this period and 8.23% majors.

Rating	Q2 2020/2021	Q1 2020/2021	Q4 2019/2020	Q3 2019/2020	Q1 2019/2020	Q1 2019/2020	Q4 2018/2019
Critical #	0	1	6	2	3	6	0
Critical %	0.00%	0.08%	0.46%	0.13%	0.41%	0.35%	0.00%
Major #	108	176	217	138	166	175	155
Major %	8.23%	13.40%	16.53%	10.11%	12.45%	13.95%	10.75%
Minor #	959	945	1391	1047	1170	788	962
Minor %	73.04%	71.97%	105.94%	74.82%	70.58%	64.78%	75.08%
Observation #	246	278	207	209	307	163	189
Observation %	18.74%	21.17%	15.77%	14.94%	16.56%	20.93%	14.16%
	1313	1400	1821	1533	1703	1448	1497

The image below indicates the average number of findings that are raised per audit over time. In this period an average of 7.82 findings per audit were raised compared to the previous period 7.82.



Based on the average above an average SIZA member will be a Gold rating as seen in the risk matrix below:

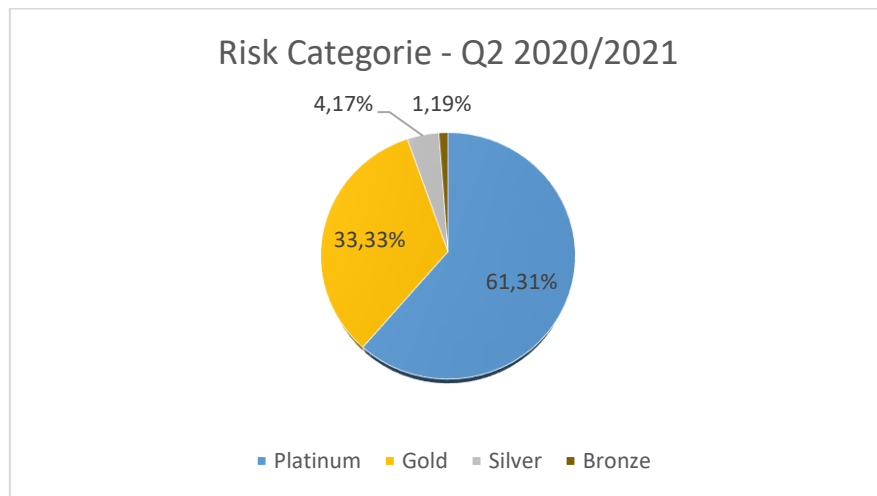


8.1. Member Risk Categories

SIZA uses an Audit frequency matrix based on the number of non-compliances to categorize members into different groups which influences audit frequency.

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

Below is a summary of the distribution of audits that took place in Q2 – 2020/2021 period.



During Q2 – 2020/2021 there was 61.31% of the members audited that achieved platinum rating and 33.33% Gold.

Category	Q2 2020/2021	Q1 2020/2021	Q4 2019/2020	Q3 - 2019/2020	Q2 - 2019/2020	Q1 - 2019/2020	Q4 - 2018/2019	Q3 - 2018/2019	Q2 - 2018/2019
Platinum	103	80	110	115	121	73	83	55	39
Gold	56	49	52	46	62	40	42	88	59
Silver	7	21	23	13	18	12	20	12	3
Bronze	2	4	10	7	6	15	5	4	0

9. Improvement / Corrective Action

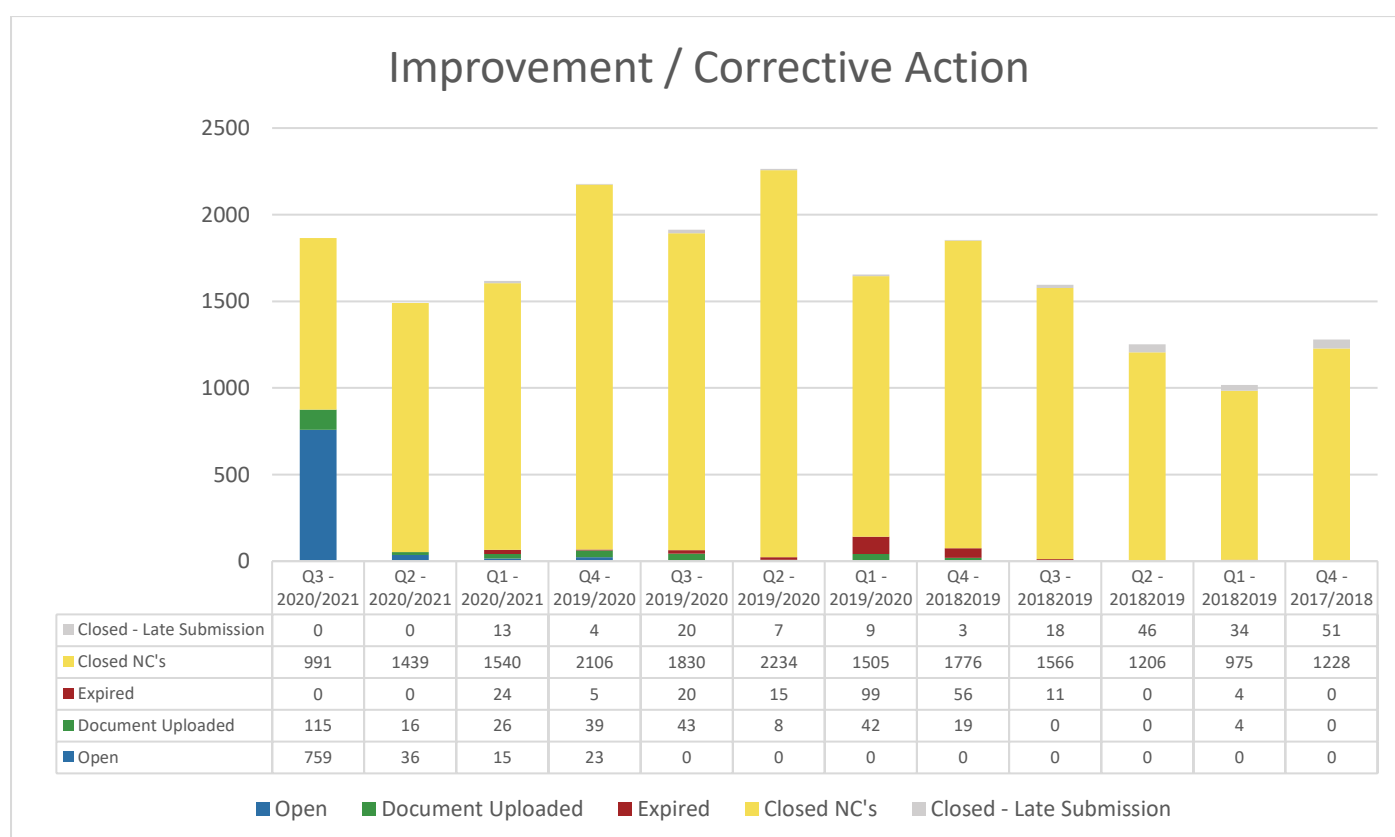
SIZA being a continuous improvement program have the focus to drive improvements on any findings during audits. The below graph can show that majority of findings is closed by primary members who had audits:

Period	Open NCs	Expired NCs	Document Uploaded	Closed - Late Submission	Closed
Q2 - 2020/2021	40.70%	0.00%	6.17%	0.00%	53.14%
Q2 - 2020/2021	2.41%	0.00%	1.07%	0.00%	96.51%
Q1 - 2020/2021	0.93%	1.48%	1.61%	0.00%	96.51%
Q4 - 2019/2020	1.06%	0.23%	1.79%	1.05%	95.66%
Q3 - 2019/2020	0.00%	1.05%	2.25%	1.05%	95.66%
Q2 - 2019/2020	0.00%	0.66%	0.35%	0.31%	98.67%

The graph below clearly shows how NCs are closed out by the growers over time.

Expired NCs will result in a follow up audit during 0-12 months from the last audit date.

Open NCs are where there is still corrective action required by the grower to show improvement.



It is an indication that SIZA members and the program drives improvement.



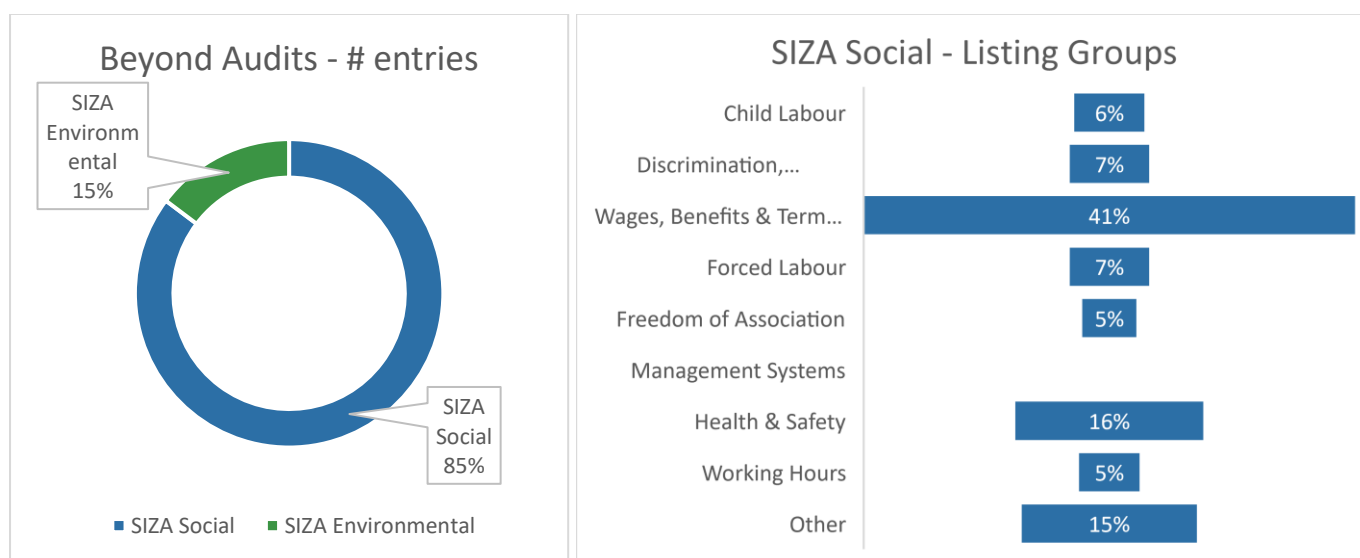
B. SIZA Best Practice Programme

SIZA announced an exciting new addition to the SIZA programme – BEYOND AUDITS in Q2 – 2018/2019 (16 October 2018).

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

Once the details have been uploaded to the platform, SIZA will review these best practices and if approved, it will reflect as a Beyond Audit program in the producer's member listing on the platform. It will also, together with other data, be visible to linked members (exporters, importers and retailers) of choice. With this initiative we aim to showcase best practices of suppliers and at the same time try to create a balanced view of ethical (social) assurance practices in agriculture.

To date there have been 129 growers that used this service to upload a Beyond Audit listing combined Social and Environmental. In total 441 entries have been approved. Some are awaiting confirmation, and some have been rejected. SIZA Social seems to attract most listings and currently holds 85% of all the listings (376).



Within the SIZA Social Standard the Beyond audit listing has been categorized as follow. The SIZA Code Principle of Wages, Benefits and Terms of Employment attracts most of the listings (41%).

- Data used for Beyond audits was from Q3 – 2020 due to data update on this not yet being 100% completed and will be revised in Q4 – 2021.

C. SIZA Market Acceptance for the Social (Ethical) module

SIZA has always positioned itself to be the preferred standard for suppliers from South Africa. It is in line with SIZA vision to avoid audit duplication where possible and to save time and cost, whilst still being able to identify areas of risk in the industry and work towards the goal of continuous improvement.

Market acceptance is therefore one of the key measurable objectives to monitor growth but also to maintain the current acceptance throughout the world.

Currently SIZA provides supplier information when suppliers give SIZA permission to do so. Visibility is provided via 4 platforms at this stage.

- via the *MySIZA* Data platform
- via the Sedex Data Platform
- via a link on the GLOBALG.A.P. database
- via ITC Map

SIZA acceptance has also grown in terms of businesses and industries that is accepting SIZA audits and recognising primary members ethical trade performance against the SIZA standard.

Current acceptance is through:

- Exporters
- Importers
- Retailers
- Manufacturing / Processing Facilities
- Storage / Distribution Facilities
- Wholesalers
- Restaurants

SIZA will continue to monitor the market growth and continuously engage with new markets for further acceptance. Across the 4 different platforms SIZA is accepted by 291 businesses that operates in 20 (68) different markets.



	Exporter	GLOBAL G.A.P.	Importer	Importer / Wholesaler	Manufacture / Processing	Restaurant	Retailer	Standards organisation	Storage facilities	Supermarket	Unknown	Wholesaler	(blank)	Grand Total
Australia			1											1
Austria			1											1
Brazil			1											1
Chile			1											1
China							1							1
Denmark							1							1
Dominican Republic			1											1
Duitsland							1							1
* Europe			4		1		4							9
France							1							1
Germany		1	10				2	1						14
Ireland			2				2							4
Israel			2									1		3
Netherlands			23				2	1	1					27
South Africa	95		1				6							102
Spain			1											1
Sweden						2								2
**United Kingdom			82	1	4		20	2		1		4	1	115
United States			1				2							3
Unknown						1					1			2
Grand Total	95	1	131	1	5	3	42	4	1	1	1	5	1	291

*Europe – 44 countries

** United Kingdom – 4 countries including Ireland.