



# **THE WIETA AUDIT PROCESS AND METHODOLOGY**

**Version 4 (Effective from 1 October 2021)**

## **1. INTRODUCTION**

### **1.1. WIETA**

The South African wine and related industries have adopted ethical parameters by which it measures the impact in tackling many of the widespread development challenges affecting those employed in wine production and other agricultural products.

WIETA, a not for profit, voluntary association consisting of different stakeholders in the South African wine industry, was formally established in 2002 as the Wine and Agricultural Ethical Trade Association t/a WIETA. WIETA strives to ensure fair treatment, respectful relationships and dignified lives toward achieving a transformed agricultural sector.

### **1.2. Interpretation & Implementation of the WIETA Audit Process and Methodology**

Participants registered on the WIETA online system commit themselves to undertake an independent participative and multi-disciplinary assessment of their ethical trade and labour practice by undertaking an ethical audit against the WIETA Ethical Standard version 4.0 (2021). The WIETA Ethical Code version 4 (2021) must be read in conjunction with the WIETA Standard as members will be audited the Standard indicators and requirements. The WIETA Standard is available on the WIETA website at [Wieta Standard V4 2021.pdf](#)

### **1.3 Scope of the WIETA Audit Process and Methodology**

The document serves to outline the required best practice guidelines for the implementation of the WIETA approved audit process and methodology. They cover all steps to be taken prior, during and after an audit. The Audit Process and Methodology has been benchmarked against international standards such as SEDEX SMETA in the UK and the European Consumer Goods Forum Sustainable Social Compliance Initiative (SSCI) based in Paris.

### **1.4 Involvement of WIETA registered participants and their suppliers in the audit process**

Members of WIETA who are responsible for producing wine and wine grapes as well as agricultural products, are required to participate in the audit process, as per the membership requirements. To qualify for the Fair Labour certification seal, members also need to involve their wine, grape and/or related agricultural suppliers in the audit process.

This is done by:

- » briefing the supply chain explaining: the background, process, applicable WIETA code and audit methodology process;
- » attending WIETA Ethical Trade and Compliance Training workshops annually on how to implement best practice ethical business systems on site,;
- » developing Best Practice policies and practices on each area of ethical practice;

- » by encouraging suppliers in the wine and agricultural supply chain to become members of WIETA themselves and undertaking a WIETA ethical audits. This requirement further serves to ensure that wine supply chains are demonstrating ethical due diligence within their own supply chain and throughout the value chain.

The responsibilities of suppliers include the following:

- Producers and their sites or farms are registered with SAWIS before their registration is completed on the WIETA Online system.
- All wine farms belonging to the Member's business are registered with SAWIS and accurately reflected on the WIETA system after online registration is complete.
- Non wine farms such as fruit farms must also be registered as non SAWIS sites on the WIETA online system.
- All agricultural operations on the site need to be declared to ensure the audit covers all ethical risk.
- The number of sites, grape tonnage harvested, received and or processed per year as well as litres produced and/or stored must be accurately recorded.
- Producers ensure that total tonnage and/or litres recorded on the WIETA online system within a harvest year coincides with that reported into SAWIS and verified as per SAWIS inspection in a vintage year.
- By using the online system, producer members consent that WIETA can verify these records with SAWIS, aligned to POPIA requirements.
- Separate payroll and management system must be linked to separate profiles. However, these profiles can be linked to or under holding company profiles.
- Auditors will be required to audit both the head offices as well as all satellite sites.
- Audits must take place during periods of peak operational activities as it is a requirement that two thirds of both permanent and seasonal staff are on site at the time of the audit. In order to inspect Occupational Health and Safety compliance, the site has to be operational at the time of the audit.
- Management is required to be present at the audit on the day of the audit and may not be replaced by an external party or external representative.

Responsibilities of consultants acting on behalf of suppliers:

- The role of consultants acting of behalf of suppliers should be communicated by the client to the consultant before the audit.
- Consultant may assist and advise the client before the audit with policy development, implementation of processes, procedures and best practices, documentation and recording, training, capacity building and pre audit assessment and after the audit with the interpretation, advise and implementation of corrective actions and support with ongoing continuous improvement.
- However, on the day of the audit, the consultant may not interfere with the audit process, the auditors' duties, or attempt to change the scope for the audit.
- Any attempt to interfere with the appointment of a specific Lead Auditor more favourable to the client, integrity of the audit scope, the audit process, or outcome of the audit results will be deemed to be in contravention of the WIETA standard requirements for

good Business Ethics and will be cited as a critical under the WIETA Code Performance area of *Management Systems – Anti-corruption and Bribery*.

- The consultant may not represent the client and/or management on the day of the audit. Management is required to be present at the audit.

## 1.5 Audit Scope

WIETA audits focus on the entire workforce within a business operation, whether workers are directly or indirectly employed, through a labour contractor, temporary employment services or through shared resources with a business partner. The duration and complexity of the WIETA audit will depend on three factors :

- The number of workers, whether directly or indirectly recruited (seasonal and/or contract) and appointed and
- The number of sites (multi sites or single sites) and size of the business
- Number of management systems on one site

### 1.5.1 One site Audits

One site audits are audits conducted at secondary production sites such as cellar, storage or bottling sites or primary agricultural farms where the business has a total worker component of more than 20 workers, employed directly including permanent and seasonal staff and do not make use of any contracted workers employed under a different management system, for example by a agri-services or temporary employment services or by a business partner.

### 1.5.2 One site audit with multiple management systems

These audit types are appropriate where a singular site has multiple management systems in place, such as:

- a cellar and one or more agricultural operations on the same site, or
- multiple agricultural operations under different management systems on the same site.
- Cellar, Bottling, storage or production facility that employs permanent and/or temporary workers under one management system and makes use of a temporary employment services or contract labourer with their own management system
- An agricultural farm that employs permanent and/or temporary workers under one management system and makes use of a temporary employment services or contract labourer with their own management system

It is recommended that each management system register under a different profile but that the profiles are then linked together under a central Producer Registration on the WIETA platform.

### 1.5.3 Multi Site Audits

These audit types are appropriate where a business has multiple sites all under one management system. This type of audit is appropriate for:

- multiple farms operating under one management system.
- Cellars with multiple farms i.e. estate with multiple vineyard holdings.
- Cellars with bottling and storage facilities.
- Wholesalers with a centralised management system into which multiple cellars, bottling and storage facilities report.

#### 1.5.4 Small producer sites

A small producer or small holding is typically defined by the following characteristics:

- May produce relatively small volumes and/or tonnage
- May have small plots of land
- May produce for export despite their size
- Is generally less well resourced than commercial scale farmers
- May be dependant upon a small supply of farm workers that live on farm or hire seasonal workers through a temporary employment services, agri-services; a business partner arrangement or share workers with neighbouring farms
- May be vulnerable within supply chains

A small producer site is a farm who operates with a total worker component of less than 20 workers (total including permanent, seasonal and contracted) and has an agricultural site of less than 20 hectares; the site can claim to be deemed a small producer and apply for such membership.

Requirements that do not apply to small producers are set out in the WIETA standard Version 4 (2021).

The following would still apply to small producers:

- The certification process as set out on the WIETA online system will still apply
- SAWIS registration is needed
- Completing the SAQ, Audit request, Auditing requirements and completing Corrective Actions for sign off, Audit Rating System and Audit Cycle still apply
- All the WIETA Standard performance areas will apply
- The Non Compliance Classifications of Criticals, Majors and Minors apply as set out in the Ethical Performance Risk Matrix apply
- Desk top review follow ups are allowed where there is sufficient documentary or photographic evidence to support signing off the finding. This provision is made to ensure affordability for small producers.
- The Incidents Reporting and Violations Procedures will apply

The following should be noted :

- The claims to be a small producer under the definition, as given above, can be challenged by an auditor and cited on an audit under Management Systems as a critical finding, should there be sufficient evidence to support that the Business does not meet the requirement and has wilfully or inadvertently through misunderstanding these requirements, misrepresented their WIETA member status.
- Should the status of the producer change during the life cycle of the audit, the business will need to immediately inform WIETA of said changes.
- The SAQ must accurately reflect the status and size of the operation at the date of audit.
- Inconsistencies in scope and status of the small producer arising between the information on the member profile, the SAQ and the observations of the auditor on the day of the audit will result in a critical finding under Management Systems

### 1.5.5 Traders

A trader is typically defined as an operation that buys in wine, stores, bottles and or packages, brands and sells onto markets.

A trader :

- Does not own any facilities but may lease facilities for storage, packaging and bottling
- Does not employ a workforce to undertake the operations of storage, packaging or bottling
- Does not source product from any owned agricultural operations but rather buys in processed product
- Would buy directly from producer operations that are WIETA certified and these operations in turn buy from WIETA certified producers and growers

A Business meeting these requirements may be deemed a trader and apply for such membership.

Requirements that do not apply to traders are set out in the WIETA standard Version4 (2021).

The following would still apply to traders:

- The certification process as set out on the WIETA online system will still apply
- SAWIS registration is needed
- Completing the SAQ, Audit request, Auditing requirements and completing Corrective Actions for sign off, Audit Rating System and Audit Cycle still apply
- The Non Compliance Classifications of Criticals, Majors and Minors apply as set out in the Ethical Performance Risk Matrix apply
- Desk top review follow ups are allowed where there is sufficient documentary or photographic evidence to support signing off the finding. This provision is made to ensure affordability for small producers.
- The ***Incidents Reporting and Violations Protocol Annexure I*** will apply

The following WIETA Standard Performance Areas apply for Traders

- Management Systems

Management Systems are assessed and take into account the business commitment to social responsibility and ethical sourcing within its supply chain. Policies that address commitment to the WIETA standard and that practically evidence the efficacy of such commitment is assessed. These policies would be communicated to any business partners, managements, employees and/or family members.

- Ethical Sourcing Policies and Practices

The Business requires an ethical sourcing policy which is communicated to all suppliers. The efficacy of this policy will be evaluated against how the relationship with suppliers is managed and monitored for risk.

- Supply Chain Monitoring Systems

Business partners would need to be monitored against any and all ethical risk. Monitoring can take the form of informal checklist, copies of ethical certification obtained from the source, requirements for audit and reports obtained, or social traceability undertaken against the production facilities and product.

The following should be noted :

- The claims to be a trader under the definition, as given above, can be challenged by an auditor and cited on an audit under Management Systems as a critical finding, should there be sufficient evidence to support that the Business does not meet the requirement and has wilfully or inadvertently through misunderstanding these requirements, misrepresented their WIETA member status.
- Should the status of the trader change during the life cycle of the audit, the business will need to immediately inform WIETA of said changes.
- The SAQ must accurately reflect the status and size of the operation at the date of audit.

Inconsistencies in scope and status of the business arising between the information on the member profile, the SAQ and the observations of the auditor on the day of the audit will result in a critical finding under Management Systems

## 1.6 Requirements for Wholesalers and Cellars to carry the Fair Labour Certification Seal

It is a requirement that all suppliers that supply to a cellar or wholesaler must have a valid WIETA audit and certification as at 31 April of a particular vintage year in order to qualify to carry the seal on the packaging.

## 1.7 Factors that impact the duration and length of audit

- Direct recruitment and employment of permanent and seasonal staff
- The number of sites

- The distance between sites
- The size of the site/s
- The size and number of operations on the site/s
- The number of worker housing structures and farm dweller accommodation
- The number of connected management systems linked to site and /or agricultural operations
- The size of the workforce
- The complexity of the management system

### **1.8 Audit Methodology Approach**

The approach used by auditors is an holistic approach where all the principles of the WIETA standard relevant to the site are evaluated against the working and living conditions within the primary and secondary agricultural, food and wine production, processing, bottling and packaging space.

The auditors are trained by international standards set and individually assessed by the Association for Professional Social Compliance Auditors (APSCA). The auditor will use their professional judgement and expertise to determine whether,

- Relevant policies, systems and procedures are in place;
- These policies are effectively implemented and practiced and
- These policies, systems and procedures effectively protect workers' rights, safety and working conditions
- In accordance with the South Africa legislation and the WIETA Standard V4 (2021)

## **2. THE AUDIT PROCESS**



### **3. RISK EVALUATION SYSTEM**

#### **3.1 Training in sustainable ethical business practice**

Implementing the WIETA Ethical Code and Standards enables a business to develop the relevant ethical and legal competence and best practice knowledge, to engage their workforce, suppliers and stakeholders and to monitor critical risks amongst wine suppliers.

Adherence to the WIETA Code requires knowledge of all relevant South African legislation, an understanding of how the WIETA Standard is aligned with international ethical and sustainability regulations, human rights and labour UN and ILO conventions, as well as the ability and willingness to practically implement socially responsible business best practices within the business and its supply chain. Businesses or members and their suppliers are encouraged to attend training workshops on the WIETA Code requirements, its implementation and the development of sustainable ethical business practices, on an annual and regular basis. The training dates will be communicated on mailchimp. Businesses can also contact the WIETA office for dates.

#### **3.2 The development of risk evaluation systems**

Businesses should implement an efficient process to measure social compliance and identify risks on site, with temporary employment services and in their supply chains. This will enable the business to focus on key areas of potential risk and direct its audit resources accordingly.

#### **3.3 Self-Assessment Module**

The Self-Assessment Questionnaire ("SAQ") enables the business or employment site to assess itself against local and international labour standards and how it manages social compliance. This is done by requesting the member to complete a series of questions aligned to the WIETA Standard requirements and providing supporting documents for same. This information can be used as the basis of a risk evaluation system. The auditor will use the information obtained from the Self-Assessment module on the WIETA online platform system at [WIETA \(ethicaltrade.co.za\)](http://WIETA.ethicaltrade.co.za) to plan for the audit and verify potential high risk areas.

Businesses have six months from date of registration on the online system to complete the SAQ online. Businesses are further required to annually review their SAQ. The information provided in the SAQ will be measured against the audit to ensure the veracity of the answers provided in the SAQ.

A Self-Assessment Questionnaire consists of two parts:

1. Pre-Audit Employment Site Profile: Preliminary information required for arranging a social audit at your workplace.
  - 1.1. Organisation Details;

- 1.2. Sites to be Audited;
- 1.3. Workforce;
- 1.4. Temporary Employment Service, if applicable.
2. Self-Assessment Questionnaire
  - 2.1. Training details;
  - 2.2. Other Certification;
  - 2.3. SEDEX requirements - For UK markets as per their request only;
  - 2.4. Information in relation to components of the WIETA Code of Conduct.

## **4. AUDIT REQUEST**

### **4.1 Launching the Audit request**

Audits are requested online (on the WIETA ethical trade website found at [www.ethicaltrade.co.za](http://www.ethicaltrade.co.za) ) following the completion and approval of the member's SAQ. No audit requests can be approved without an SAQ having been completed and approved.

Audits may be requested by:

- » The registered participant;
- » The participants designated employment site;
- » Suppliers to the registered participant;
- » The buying company;
- » Any other party with an interest in the commercial relationship and social performance of the employment site. For example, industry or monitoring bodies.

Any business /organisation requesting an audit is termed an "audit requestor". Only active paid up WIETA members can access the online system and submit an audit request. Members are requested to ensure that their annual membership is up to date. Any members who are in arrears with their membership fees by 120 days will be blocked from the WIETA online system and will not be able to access their SAQ, an audit request, any past reports or current valid certificates of audit completion and sign off.

All audit requests must be completed on the WIETA platform. Any audit requests that are undertaken by arrangement with the individual audit body and not put through on the WIETA platform as a formal audit request will not be accepted within the system and therefore no audit report can be issued online.

### **4.2 Information for the Audit Request**

The following information must be provided to submit the audit request and is used to determine the scope of the audit:

- » All sites to be audited;
- » Whether the audit needs to include recognition of other standards, i.e. SIZA (Sustainability Initiative South Africa);
- » Year in which audit to take place;
- » Preferable months for audit;
- » Identifying months when all the workforce is available; (percentage of workers to be present 66% - two thirds)
- » Identifying if a translator is required.

Abovementioned information together with that obtained from the Self-Assessment Questionnaire further allows audit bodies :

- ✓ Prepare relevant briefing materials (industry specific).
- ✓ Plan the assessment,
- ✓ for example;
  - the number of workers on site on the day (66% of the total workforce),
  - gender and language capabilities of the audit team members and the required number of auditor days (*see 0 audit length*).

Members can choose to give third parties access to their online profile on the ethical trade site, including but not limited to the audit finding and any alter notifications for greater transparency. This permission and access is requested in writing to WIETA.

Once the audit request has been submitted, the request is automatically diverted to the particular audit body selected. The audit scheduler at the audit body will allocate a Lead Auditor and where required by size and type of audit, an associate auditor. A reviewer is also selected to review the final report for quality assessment purposes. The reviewer must also be a WIETA recognised Lead Auditor.

## 5. PREPARATION FOR AN AUDIT

### 5.1 Background and Context Review

Auditor must be fully aware of the conditions, challenges and issues prevailing in the country, region and industry where the audit is to be conducted. The auditor will be in regular contact with local, relevant civil society organisations (CSOs) which are well-informed about the issues which affect workers.. CSOs may be NGOs, trade unions, academic institutions, industry bodies, or any other relevant organisations. The auditor will also regularly gather information on broader social, economic and political issues affecting workers and the local community from a broad range of sources including governments and CSOs.

An in depth knowledge of both international and South African labour laws and health and safety regulations as well as pending amendments to such laws and relevant case law, the

latter pertaining to the implications for the implementation of the WIETA Code and Standard Version 4 (2021) are pre- requisites for understanding and interpreting the broader context and particular audit conditions within the wine industry and agricultural sector as a whole.

## 5.2 Audit Organisation

### 5.2.1 Audit type

The WIETA audit certifies the entire site and as all agricultural risks on the entire site needs to be audited. Audits must take place during a period when the entire (this includes employment site, including cellars, is in full operation (peak production or harvest). In the event that the audit is arranged at any other time, temporary workers and/ workers from a temporary employment service used during production or harvest must be present on site. Failure to involve the permanent and temporary workers will result in the audit being declared only as a partial audit, requiring a follow up audit - at the cost of the member. Certification will not be issued before the follow up audit has been concluded and the corrective actions have been approved. . Failure to have workers on site during operations will result in the audit not being valid.

Audits are usually –

- » **Announced** (at a mutually convenient date agreed with employment site).

However, from time to time **the buyer may require the supplier** to undertake an unannounced or semi announced audit - –

- » **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); as per certification requirement.

Buyers will need to make their requirements very clear to the suppliers ahead of the audit and communicate these announced / semi / unannounced requirements to WIETA and to the audit body at the time of the audit request so that suitable arrangements can be made ahead of the scheduling of the audit.

in the case of semi announced audit, the buyer may have particular requirements and could request an audit be announced within a window period of anywhere from two weeks up to three months. This information must be made clear to the audit body and WIETA in order to comply with the buyer requirement.

The performance of the Business on the **WIETA Risk Matrix and Audit Frequency (Annexure A)** at the time of the certification of the site can be used to influence the type of audit selected.

#### 5.2.1.1. Unannounced audits

Unannounced audits allow auditors to assess the conditions at an employment site in their unprepared state.

However, there is a risk that the member may perceive unannounced audits as an ambush, the auditor will not be able to gain access to the facility, the necessary information and personnel may not be available on the day of audit.

To minimise these risks, WIETA and the audit or certification body will communicate its policy on unannounced audits to suppliers and employment sites. The policy will state that:

- » Audits may occur at any time on an unannounced basis;
- » All employment sites are required to provide both pre-audit and self-assessment information on the WIETA ethical trade site at [www.ethicaltrade.co.za](http://www.ethicaltrade.co.za) and this information must be accurate;
- » Auditors presenting their credentials will be allowed full access to the employment site;
- » The necessary records will always be kept on employment site or be readily available;
- » Permanent and temporary workers are to be made available for interviews;
- » Information pertaining to labour contractors and their contract workers are also available.

#### 5.2.1.2 Semi-announced audits

Semi-announced audits can reduce the risks to the member and increase the ability of the company to remediate.

#### 5.2.1.3 Announced audits

The right to perform an announced audit is part of WIETA's requirement for all registered sites.

Given the risk that sites will take extraordinary steps in preparation for the audit, it is best practice to use mix of announced, semi-announced and un-announced audits to mitigate this risk.

Registered sites are requested to –

- » agree on an audit date with the audit company conducting the audit in advance;
- » to provide up-to-date and accurate pre-audit and self-assessment information in advance of the audit;
- » allow auditors, presenting the correct credentials (what are these) on the date of the audit, full access to the employment site;
- » make available, the necessary records and the concerned personnel, permanent and temporary workers, at the employment site on the day of the audit.

- » ensure that the required minimum amount of workers (66% of the total workforce) will be accessible on the day of the audit

Note that all POPIA requirements of the Audit Body and WIETA will be observed and strictly adhered to.

### 5.2.2 Audit length

The number of auditor days at the employment site is based on the size of the workforce as well as the extent, and size of site operations.

This will allow sufficient time to interview a representative sample of the workforce and to check documents relating to the sample. The sample will at a minimum include, the following:

- » The gender balance of the workforce. Where either men or women workers form a minority it is important that the audit team includes the minority in the sample. Bearing in mind the following ethnic, national, linguistic, migrant or religious groups.
- » Different contract types, for example permanent, temporary and agency workers.
- » Different departments, including technical, administration, security, garden, domestic and canteen workers as well as production workers.
- » Different designations, for example workers and supervisors and management.
- » Different shift schedules.

Workers will be interviewed individually, in groups and in formal/ informal settings without management present. Workers will be interviewed preferably in their own language. Management or their representatives may not act as interpreters. The audit company conducting the audit will provide auditors and/or worker interviewers that are able to communicate in the language spoken by workers

Individual Interview will last at least between 30 minutes and 40 minutes. Longer interviews may be required in some circumstances such as group and or focus group interviews.

The challenges in identifying an audit sample makes it difficult to set down any hard and fast rule regarding the length of the audit. The minimum number of auditor days required for an audit is shown in the table below, however, a longer audit may 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;
- » Multi estate sites;
- » Multiple languages;
- » Off-site interviews (in the case of contractor workers);
- » Issues requiring special investigation (e.g. discrimination);

- » Size and geographical spread of the business;
- » Other unexpected issues.

The auditor will interview a proportion of the workers in each category of contract type, i.e. permanent, temporary, seasonal and contract (workers from a temporary employment service) workers. The number of workers interviewed will, 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.

**An example of the number of workers to be interviewed is set out in the sample size table below –**

<b>Contract Type</b>	<b>Number of workers</b>	<b>Interview Sample Size</b>
Permanent	100	10
Temporary	81	9
Contract	25	5
<b>Total</b>	<b>206</b>	<b>24</b>

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 workforce of the site. This includes ensuring that samples are representative of the gender, ethnic, national and linguistic balance of the workforce as well as being representative of migrant or religious groups, different department types and different designations. In the demonstration above, 10 permanent workers will be interviewed and the 10 workers that are selected will 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 needs to reflect this.

**Minimum worker interview sample size auditor days on-site for audits is set out in the table below**

<b>No of employees excluding management</b>	<b>Auditor days</b>	<b>Workers interviews</b>	<b>Time spent on worker interviews, individually and in a group</b>
0 – 5	0.5	2	1 hour
6 – 99	1	10	2,5 hours
100 – 199	1,5	15	3,5 hours
200 – 299	2	18	4 hours
300 – 399	2,5	20	5 hours
400 – 499	3	23	5,5 hours

500 - 1000	3,5 to 4	Minimum of 32	8,5 hours
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<b>Additional auditor days to be allocated in the following scenarios:</b>	
<b>Temporary Employment Service/Labour Contractor on site, not certified</b>	<b>+ 0.5 day</b>
<b>Additional Cellar or another production site</b>	<b>+ 0.5 days per site</b>
<b>Multi sites 1-2 additional sites more than 50km from main site</b>	<b>+ 0.5 day – 1 day</b>
<b>Multi sites 3-4 additional sites more than 50km from main site</b>	<b>+ 1.5 days</b>
<b>Report Writing</b>	<b>+0.5 day</b>
<b>For language groups other than Afrikaans or English which make up 50% or more of the workforce:</b>	Interpreter that speak the language of the language group must be made provided by the audit company

- Note that the time allocated does not include preparation for the audit, travel or report writing time.

With smaller suppliers with less than 5 employees, consideration must be given to the size of the operations and site. Small holdings and small vineyards (10 hectares or less in total production) with minimum staff numbers are deemed small enough for a half day audit.

### 5.2.3 Audit team

The audit is conducted by a competent social auditor, who is employed by a third party audit body.

Auditors and auditing bodies are chosen based on:

- » Audit training and skills;
- » Audit experience;
- » Local and industry operational knowledge;
- » Language skills;
- » Gender and demographic background reflecting that of the workforce;
- » Reputation;
- » Integrity;
- » Commitment to improving social compliance.

To prevent any conflict of interest, the auditor or third-party audit body must not have any connection with the employment site.

#### Criteria

- » The auditor is only permitted to audit the site every second audit cycle.
- » The auditor must have no relation to the farm, the site or any consultant being used on site.

- » The auditor must disclose any information material to the knowledge or familiarity of the farm or cellar.

The requirements for auditor competence are contained in the ***Auditor Competencies and Requirements*** policy document Annexure B.

### 5.3 Communicating the Audit Arrangements

#### 5.3.1 Information for the Employment Site

The audit company conducting the audit will communicate the following information at least 2 weeks prior to the audit. This will be communicated in writing

- » Confirmation of receipt of the SAQ and any further information required from the employment site.
- » Identity of audit requestor.
- » Date of the audit.
- » Information about the audit process and approach towards social compliance and the code of conduct against which the employment site is being audited.
- » Introduction of the audit team.
- » The audit agenda including:
  - Timetable
  - Topics to be covered
- » Key personnel invited to participate in the audit, including but not limited to:
  - Management
  - HR and Payroll personnel
  - Health & Safety personnel
  - Workers' representatives
- » Information which the employment site must communicate to workers before the audit includes covering workers' rights and entitlements, the audit process, purpose, ground-rules for worker interviews, 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:
  - Employment site layout / floor plan
  - Company policies (including but not limited to child labour, discipline, discrimination and harassment, Health & Safety etc.)
  - Department of Labour Inspection / Integrated Production of Wine 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 Equity Reports
  - Skills Development Plans

<b>Time</b>	<b>Agenda item</b>
09:00	Opening meeting with management & workers
09:30 - 12:30	Interviews & site inspection
12:30 - 13:00	Documentation audit
13:00 - 13:30	Lunch break (auditors provide their own lunch)
13:30 - 14:30	Documentation audit/management interviews
14:30 - 15:00	Auditor's meeting
15:00 - 15:30	Verification of findings & Agreement on Corrective Actions with management
15:30 - 16:00	Feedback meeting with management & workers

- Employment contracts
- Recruitment procedure
- Personnel records
- Employee handbook
- Training records
- *Health and safety documents:*
  - o Hazardous chemicals list
  - o Accident book
  - o Poison records
  - o Machinery inspection/service logs
  - o Accident and injury log
  - o Emergency action procedures
  - o Evacuation plan
  - o Fire drill log
  - o COID registration
  - o Minutes of joint committees on health and safety
  - o Contractor Agreements – Section 37
  - o Legal Appointments
- o *HR Documents :*
  - o 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
  - o Piece rate records for the past 12 months (if applicable)
  - o Time records for the past 12 months
  - o Production records
  - o Minutes of meeting with workers representatives/unions
  - o Minutes of meetings on disciplinary matters
  - o Unemployment Insurance, tax and other required receipts
  - o Training certificates
  - o Permits, operating licences, Certificates of Operations, etc.
  - o Previous social audit reports/Corrective Action Plan Report

- Process for Alert notifications.

### **Concept Audit Agenda**

#### **5.3.2 Registered Company Audit Preparation**

Employment site management will ensure that:

- » All documentation is 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 of the employment site to auditors

#### **5.3.3 Information for Workers**

Clear information about the audit will be communicated by the employment site to workers explaining the purpose of the visit and the process. This information will be available in the languages spoken by workers and will include:

- » The role of WIETA and the WIETA Standard V4 (2021);
- » The WIETA poster and whatsapp hotline number;
- » Purpose and scope of the audit;
- » Introduction to auditors and their role (emphasising they are independent and external);
- » Process including confidentiality of worker interviews;
- » Contact details for the auditor and for any additional whistle-blowing facility supported by the audit requestor.

#### **5.4 Audit Team**

The audit will be conducted by a team of auditors that have been approved by WIETA. These are auditors that are directly appointed by the Audit Bodies. These Audit Bodies will conform to a set of WIETA Ethical Assurance Requirements, set out in a service level agreement with the audit body.

The approval criteria for recognition of WIETA recognised auditors are as follows:

- The auditor meets the requirements as set out by the Association for Professional Social Compliance Auditors (APSCA);
- The auditors is registered with APSCA with a valid APSCA number;
- The auditor has met the APSCA examination requirements;

- The auditor has met WIETA requirements for both recognised qualifications, total number of social audits conducted, number of WIETA audits participated in, number of WIETA training sessions attended, and knowledge of the WIETA standard Version 4 (2021);
- Industry knowledge;
- Language requirements of site;
- Language, gender and demographic background reflected of workforce;
- Integrity and Professionalism;
- Commitment to improving social compliance and auditing standards;

## 6. AUDIT EXECUTION

The audit will include the following:

- » Opening meeting;
- » Employment site tour (and optional perimeter survey);
- » Management and worker interviews;
- » Document review;
- » Audit team pre-closing meeting;
- » Closing meeting, including summary of findings;
- » Agreement of findings;
- » Off-site visits when necessary (e.g. to interview contract workers; 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).

***As a general principle the conduct of the audit team at all times must be in the best interest of the workers.***

### 6.1 Opening Meeting

The opening meeting is conducted in the language understood by all. It must be attended by relevant people including –

- » Senior management;
- » Managers responsible for key functions;
- » Trade union or worker representatives.

This will 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 will:

- » 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);
- Clarify that the purpose of an audit is continuous improvement;
- The standard against which the audit will be conducted (WIETA code of conduct, applicable law, international labour standards ).
- » Explain that the minimum requirement is transparency.
- » 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.
- » Explaining the process of raising a critical finding and the process of alert notifications;
- » 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 employment site management does not agree to the participation of worker representatives, auditors will note this and arrange a separate meeting with worker representatives.

## 6.2 Employment Site Tour and Inspection

### 6.2.1 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 WIETA code of conduct, legal and regulatory requirements. The findings from the tour are triangulated with evidence from management, worker interviews and document review.

As a general principle, the auditor will be able to visit all the areas of the employment site and will 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. Photographs are taken as visual verification of a finding and will be used within the audit report. The auditor will note restrictions on access or photography in the audit report, and if restrictions seem unreasonable, these can be escalated in accordance with the requirements stated in the **WIETA Standard V4 (2021) under Management Systems** . Where the employment site prohibits photographs from being taken, a site verification will need to be conducted at a later stage to verify the corrective actions at cost to the site.

Auditors will 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.

Audits must move around the site without delaying/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 secure management's co-operation for the remainder of the visit. Auditors must keep this in mind during the site tour.

In order to achieve this, the auditor will 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 will walk around the employment site, production areas, storage rooms, despatch 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 the observations or concerns
- » Note other evidence that relate to other areas of the Code and 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 team will 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 will focus on:

- » Work environment (space, temperature, tidiness, etc.);
- » Work stations (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 WIETA code 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.

### 6.2.2 Perimeter survey

A perimeter survey is required to provide supplementary information about the employment site and its local context and to identify specific risk issues.

The perimeter survey will focus on:

- » The surrounding environment (e.g. industrial park, neighbourhood, business district, dams, rivers, etc.) and its advantages/constraints.
- » Neighbouring facilities (e.g. hospitals, clinics, restaurants, shops, recreation, fire protection, police, waste disposal, etc.)
- » Local perceptions of the employment site (e.g. work hours, labour issues, support for local community, etc.)
- » Other facilities located on the employment site property (e.g. worker family and single unit accommodation, farm dweller accommodation, seasonal hostel/communal accommodation, crèches, canteen, stores, workshops, clinic, sanitation etc.)

- » 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.

### 6.3 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.

#### 6.3.1 Worker Interviews

Points raised by workers will be re-laid as soon as circumstances permit to 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 that encourage interviewees to identify the issues of most importance to them whilst also uncovering hidden issues such as: discrimination and intimidation. In any case, the interviewer must be aware of his/her body language (make regular eye contact, smile, etc.) and should avoid placing any physical barriers (such as chairs, tables ect between them and the workers

##### *Selection:*

- » The worker interview sample size will be based on the different numbers of permanent, temporary and contract workers as outlined above.
- » Workers will be randomly selected by the audit team and must be from from various locations around the employment site and, if possible, during various shifts. Management may under no circumstances selected the workers for interview
- » The audit team must keep control of the selection of workers, using a variety of selection techniques throughout the audit.
- » The selection of workers will be done as just before the interviews are scheduled to avoid workers being coached.
- » The interviewer will aim to talk to a wide range of workers including potentially vulnerable workers and those in less skilled positions, taking into account:
  - The gender balance of the workforce.
  - The spectrum of ethnic, national, linguistic, migrant or religious groups
  - Youngest and oldest workers
  - Different designations, for example rank and file workers and supervisors

- Worker representatives
- Health and safety committee representative(s);
- New employees / trainees (to evaluate training quality);
- Workers in all pay grades (i.e. lowest pay grades, highest pay grades) in order to evaluate wages and working hours
- Pregnant women
- Employees from different shifts
- Workers not wearing uniform
- Workers who have taken leave recently
- Temporary workers and workers employed by a Temporary Employment Service.

*Location:*

- » Formal interviews will 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. Workers will be interviewed individually.
- » Other suitable locations, e.g. in workers homes or the vineyards and orchards.

*Interview approach and language:*

- » Interview approaches will be appropriate for the local situation, ideally semi-structured interviews, focus groups, ranking and/or other participatory tools will be used.
- » 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 will not be used to support interviews with language groups which make up 25% or more of the workforce. In these cases, the auditor / worker interviewer must be a native speaker of the language concerned.
- » Translators from the employment site may not be used. Translators must be independently appointed as part of the audit team by the audit company conducting the audit.

*Worker protection – Prioritisation of workers:*

- » Auditors must prioritise the protection of the workers interviewed
- » Auditors will ensure that problems raised by workers are discussed with management in a non-attributable way. Auditors must ensure that the comments they report cannot be traced back to an individual worker.
- » Auditors/worker interviewers will leave a contact telephone number, preferably the WIETA WhatsApp number and/or the WIETA toll-free number so that workers can alert the WIETA helpdesk if there are reprisals or intimidation. This should be highlighted during the interview
- » The auditor will 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 will 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 will not be raised at the closing meeting and the auditor will raise it by sending through an **Alert Notification to the audit company and WIETA (Annexure C)**.
- » In order to protect workers from retaliation, the names of workers involved in identifying an issue must 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 must ensure that such details as may be required to identify workers who require immediate remediation are provided to relevant parties (this could include customers). In cases like this the best interest of the child worker takes precedence

#### *Interview Structure:*

- » Introduction: The audit team will introduce themselves and communicate the purpose of the audit. They will assure workers that all information shared during the interview will remain unattributed
- » Confidentiality: No manager or representative of the employment site, apart from the workers concerned, will be present during any worker interview.

### **6.3.1.1 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 one-to-one.

Auditors need to be aware of any verbal and non-verbal indications from workers and may choose to convert an individual interview to a group interview or vice versa in order to accommodate workers' needs.

### **6.3.1.2 Focus 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.

### **6.3.2 Management Interviews**

The audit team will work through the relevant code talking in depth to the managers concerned on each issue area. Open questions and conversational interview techniques will be used. It is important to talk to the senior managers, but also junior managers who may have a different perspective.

### **6.3.3. Administrative/Clerical Staff Interviews**

The audit team will work with administration staff (such as payroll clerks and welfare officers) combining interviews with document review. Management will not be present.

### **6.3.4 Union and Workers Representative Interviews**

The audit team will discuss with union and/or worker representatives their role at the employment site. Specific attention will 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 will gain an understanding how the trade union is organised at a local level, its relationships with workers and management.

### **6.3.5 Workers employed by the Temporary Employment Service (TES)**

Where an audit SAQ or an Audit Body pre-audit employment site profile has indicated that production processes are undertaken by workers employed by the Temporary Employment Services (TES), then the auditor will aim to ensure that these workers are included in the audit process. In cases where this is not possible, for example due to location constraints, then a partial audit of the workers employed by the TES and their working conditions will be conducted.

It will be noted that where contract or temporary seasonal workers labour status cannot be determined and/or assessed, a major non-compliance will be cited on the report.

The WIETA Audit Process and Methodology for Temporary Employment Services is contained in a separate WIETA policy called the WIETA Audit Process for Temporary Employment Services **Annexure D**.

## 6.4 Document Review

### 6.4.1 Document Sampling

Documentation must be available on the day of the audit these include, but not limited to: payroll and records of time, safety trainings, machinery maintenance, fire equipment and hazardous materials.

Auditors will request time and payroll records for 12 consecutive months. If records for the previous 12 months are not available, the employment site will explain why this is the case. For example, the employment site has been operational for less than twelve months. From the 12-month set of data, auditors will review at least three months' worth of consecutive records and will include records for the low season, the peak season, holiday periods and the most recent period available.

If the audit is not an initial audit, but a subsequent audit the auditor will look at all records up to the previous audit.

The auditor will 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.).
- » Department of Labour 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:
  - Hazardous chemicals list;
  - Accident book;
  - Chemical log;
  - Machinery inspection/service logs;
  - Accident and injury log;
  - Emergency action procedures;
  - Evacuation plan;
  - Fire log drill;
  - Minutes of committees on health and safety;
  - PPE register.

- » HR Documents
  - Payroll records;
  - Overtime records and exemption for overtime hours granted by the Department of Labour;
  - Leave records;
  - Pay records for high and low points of the season;
  - Hours and/or attendance records;
  - Evidence that payments have been made;
  - Piece rate records (if applicable);
  - Time records;
  - Production records;
  - Minutes and records of proceedings on disciplinary matters;
  - Minutes and records of proceedings on follow up investigation on grievances lodged;
  - Minutes of meeting with workers representatives/unions;
  - UIF, COID, Tax and other required receipts;
  - Permits, operating licences, Certificates of Operations, etc.;
  - Previous ethical trade audit reports/Corrective Action logs;
  - Employment Equity Reports submitted;

Particular emphasis will be placed on evidence that there is a systematic approach to managing all aspects of the WIETA code.

This means that ideally the management systems must be an integrated part of managing an ethical business, rather than just a set of documents contained in one file.

#### 6.4.2 Document Inconsistencies

Management will be encouraged to provide accurate records which present the full picture of the employment site's operations for review prior to the closing meeting. Inconsistencies between different types of documents and worker testimony that amount to fraud will be considered a **critical non-compliance** and raised with the employment site management as early as possible during the audit.

If a non-compliance related to working hours or compensation requirements is identified, the audit team will 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.

#### 6.5 Alert Notifications for Critical Findings and Zero Tolerance issues

Where a critical non-compliance is identified and it is therefore a zero tolerance issue, the auditor and/or audit company will, if circumstances permit, inform WIETA within 24 hours, or as soon thereafter as possible. This will enable WIETA and the employment site to immediately work together to plan an appropriate and timely remedial action. See **Annexure C, WIETA Alert Notifications**.

If an auditor believes they might be at risk as a result of communicating a critical non-compliance, the audit team will wait until it is removed from that situation before issuing the alert notification.

Auditors will always prioritise the welfare of workers when deciding how to inform employment site management of any critical non-compliance. Auditors will follow the escalation policies of the audit requestor to minimise any risk to workers.

Refer to the WIETA policy on **WIETA Classification Guidance on Best Practice, Observations, Major, Minor and Critical Non-Compliances, Annexure E**.

## 6.6 Audit Team Pre-Closing Meeting & Agreement on Corrective Actions

The audit team will meet before the closing meeting to discuss the findings of the audit (interviews, document checks, employment site tour), identify inconsistencies, non-compliances, observations, and good practice and agree on the corrective action to be undertaken by the site. The analysis of evidence gathered is a pre-requisite to the closing meeting. It must be completed even if the auditor is alone at the employment site.

The audit team will prepare for the closing meeting by identifying and agreeing:

- » 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
- » Corrective actions of the site.

The **Summary of Findings and Corrective Actions Plan (CAP) Report (Annexure F)** provides structure to the audit team's findings and help the audit team develop a corrective action

report and structure a closing meeting. The submissions to that report will be completed using the Auditor Offline auditing tool.

The Summary of Findings and Corrective actions includes:

- » Audit findings – Summary of non-compliances; good practice and evidence found;
- » Classification of non-compliances;
- » Reference to the applicable code and conduct and/or law which has been contravened;
- » Recommended corrective actions: Auditors suggestion on how the audit findings can be resolved;
- » Person/party responsible for corrective actions;
- » Verification mechanism: The Ethical performance risk classification mechanism will be used to determine whether the corrective actions will be verified through desktop verification (i.e. through photos, copies of certificates, invoices etc. submitted by the employment site). A desktop review is usually undertaken for minor findings of a lesser ethical risk. Desktop reviews cannot be undertaken where worker testimony is required to verify a corrective action undertaken
- » Or through a follow-up audit (i.e. the corrective actions will be verified through interviews and extensive documentation review on site at a follow up visit by the auditor). Follow up audits usually require the sign off of systemic major or critical findings or where verification through a worker interview is required.
- » Timing of the corrective actions needs to be evaluated by the auditor based on risk and realistic and appropriate implementation requirements.

The CAP report needs to be:

- A clear and accurate recording of findings observed.
- Completed in English.
- Distributed to the site and signed off.
- A copy kept by the auditor for online record keeping.

A draft copy of the Corrective Action Plan (CAP) Report will be given to the site at the closing meeting. Once the audit report is published online, a copy of the Corrective Action Report will also be available on the WIETA online platform.

## 6.7 Non-compliances, Observations and Good Practice Classifications

Auditors will 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

**6.7.1 Categorisation**

- » 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.

**6.7.2 Classification**

Non-compliances and observations will 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.

<b>Classification</b>		
<i>The auditor must be able to justify his/her classification with detailed evidence.</i>		
<b>A critical non-compliance is:</b>	<ul style="list-style-type: none"> <li>» An issue which presents imminent risk to workers’ safety/risk to life and limb or constitutes a significant breach of workers’ human rights which is regarded as a zero tolerance issue and/or;</li> <li>» 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, in spite of supplier commitment to resolve the issue.</li> <li>» An attempt to pervert the course of the audit through fraud, coercion, deception or interference.</li> </ul>	Critical non-compliances include: <ul style="list-style-type: none"> <li>– Inconsistencies between different types of documents and worker testimony.</li> <li>– Employment of Child labour (reported or confirmed through documentation).</li> <li>– Involuntary, indentured, or involuntary prison labour (including forced overtime and absence of payment).</li> <li>– Practices of bonded labour, including during the recruitment phase, observed on site where workers are forced to work and unable to leave the workplace.</li> <li>– Workers subjected to physical abuse.</li> <li>– Workers subjected to systemic sexual harassment, abuse or systemic disrespect.</li> <li>– Workers in immediate danger.</li> <li>– Workers not being paid at all or systemically paid under the legal compliance.</li> <li>– Workers subjected to discriminatory practices (e.g. during recruitment,</li> </ul>

		<p>workers are tested for medical conditions not required by law or product safety requirements, e.g. pregnancy, HIV/AIDS, hepatitis etc.).</p> <ul style="list-style-type: none"> <li>– Union members, union or worker representatives are actively harassed, penalised or discriminated (directly or indirectly) against.</li> <li>– Attempted bribery.</li> <li>– Occupational Health and Safety non compliances that pose immediate and serious harm to workers’ health and or safety.</li> <li>– Auditors denied access or obstructed from conducted from conducting a proper audit.</li> <li>– Evidence of the deliberate provision of false information to auditors so as to disguise unfair labour conditions.</li> <li>– Housing: Unsafe structural defects posing imminent harm to occupants or unhygienic environmental conditions posing imminent and serious threat to health; or unsafe conditions posing an urgent safety threat, i.e. potential fire hazard, overcrowding etc.</li> </ul> <p><b>Critical non-compliances will trigger an alert notification.</b></p> <p>Auditors are to notify WIETA should an alert notification of a critical non-compliance be issued within 24 hours of the audit. WIETA will then be in contact with the site to arrange for any appropriate remedial action to be undertaken by the site to immediate remedy the critical non-compliance.</p>
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<p><b>A major non-compliance is:</b></p>	<p>A breach which represents a danger to workers/ those on-site.</p> <ul style="list-style-type: none"> <li>» A material breach of the WIETA/ law.</li> <li>» A systematic violation of WIETA code requirement/ law.</li> </ul>	
<p><b>A minor non-compliance is:</b></p>	<ul style="list-style-type: none"> <li>» An occasional or isolated problem.</li> <li>» An issue which presents a low risk to workers/ those on-site.</li> <li>» A policy issue or misunderstanding where there is no evidence of a material breach.</li> </ul>	
<p><b>An observation is:</b></p>	<ul style="list-style-type: none"> <li>» The identification of an opportunity for improvement.</li> <li>» A possible issue which may develop into a non-compliance without further action.</li> <li>» An issue which the auditor has some evidence to indicate may be present, but is not confirmed by more than one data point.</li> </ul>	
<p><b>A good practice example is:</b></p>	<ul style="list-style-type: none"> <li>» An issue that the auditor regards as over and above the standard against which the employment Site was audited.</li> </ul>	

### 6.7.2.1 Categorisation examples

**WIETA Classification Guidance on Best Practice, Observations, Major, Minor and Critical Non-Compliances (Annexure E)** provides guidance on how to categorise different issues as a good practice or minor, major or critical non-compliances.

This list is not exhaustive on how to categorise different issues as good practice, observations or minor, major or critical non-compliances and should be read with the WIETA Benchmark which identifies zero tolerance issues. These examples are for illustration only. Auditors should still use their discretion when classifying non-compliances.

## 6.8 Closing Meeting

The Audit team will meet with management to go through the findings, agree them and agree the corrective action plan which sets out areas for improvement, actions and timeframes. Corrective actions will focus on long term sustainable solutions which take account of the root cause of any problem. Once corrective actions is agreed on the action, timing and person involved a closing session will be convened with all those attending the opening meeting to:

This meeting will involve all those attending the opening meeting and will:

- » Reconfirm the purpose of the assessment.
- » Recognise good practices.
- » Report on agreed non-compliances and their status.
- » Report on suggested corrective actions, timing, and responsibility (with management).
- » Record non compliances which can be corrected immediately.
- » Clarify any questions that management or workers have at the closing meeting.
- » Explain when the full report will be completed and who it will be sent to.
- » Get sign-off on the Findings and Corrective Actions Plan by both auditor and site.
- » Where the CAP report is not agreed upon, the auditor should leave a copy at the site and report disputed issues to Audit Management.
- » Auditors are cautioned not to sway from their initial findings after the CAP report has been discussed and agreed to. In some instances Reviewers may recommend a different findings outcome. This must be communicated to the auditee once the CAP report has been approved and audit report published.

## 7. AUDIT OUTPUT

### 7.1 Audit Reporting

Site reports are to be completed on the WIETA online platform within 10 business days and submitted online.

All documentation, supplementary notes, alerts and reports are deemed confidential and should not be circulated. These documents remain the intellectual property of WIETA.

The report is available in English to ensure that it can be shared with various stakeholders upon request by the employment site. The Audit report will be published online within 10 business days of the audit after review has taken place.

For each provision of the WIETA audit standard, the report will set out:

- » 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 will provide a:

- » Description of the non-compliance or observation, its frequency and the number of people concerned;
- » Evidence found to substantiate it;
- » Severity of non-compliance by critical , major, minor compliance level;
- » Classification to applicable law, WIETA code of conduct, etc.;
- » Recommended corrective action with a timeframe for completion, responsibility and verification method required.

The quality of the final audit report is of critical importance as these documents are often requested by international buyers and may reside on global audit platforms.

The report will 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 (i.e. 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 will be done using the **Supplementary Audit Information (Annexure G)**.

The Audit report will include photos of the employment site such as:

- » Outside general overview
- » Inside general overview
- » Various stages of the production / agricultural process
- » Safety equipment
- » Machines guards
- » Drinking water
- » First aid equipment
- » Break room / staff room
- » Toilets and showers as applicable
- » Housing / Accommodation where applicable

- » Canteen where applicable
- » Kitchen where applicable
- » Best practices which can be photographed
- » Non-compliances which can be photographed.

Unless agreed by all parties in writing, WIETA will not distribute the report to any entities except the audit requestor and/or the party paying for the audit. However, the audit requestor will share the report with the employment site/customer/supplier as soon as possible to facilitate co-operation on continuous improvement. The audit requestor can provide access to all information that forms part of the audit process through the on line system.

The employment site can raise a dispute of audit findings on the Summary of Findings and Corrective Action or following receipt of the Audit Report in terms of the procedure set out in **WIETA Audit Appeals Process (Annexure H)**.

## 7.2 Supplementary Audit Information

Auditors may feel the need to produce a separate, supplementary report for WIETA 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.

## 7.3 Information Management

Within 10 days of the completion of each audit, the auditor will upload the following documents to the WIETA online platform:

- » The completed audit report upload on the on line, including photos;
- » Summary of findings and corrective actions uploaded on the on line;
- » Supplementary audit information where applicable;

- » Copies of any alert notification that were issued during the audit.

The auditor will:

- » Be available after the audit to further clarify or explain decisions and ratings to the employment site as needed.
- » Will the employment site dispute any of the audit findings, or have a complaint against the auditor, the **WIETA Audit Appeals Process (Annexure H)** can be followed.

#### 7.4 Audit Records

Where any documents, hand written notes, signed Summary of Findings and Corrective Actions are retained by the auditor, these must be safely filed by the audit body for at least five years. Where photographic evidence is made, this may be available within the electronic report. All Audit Bodies and their auditors are to confirm strictly to the requirements of the POPI Act.

Auditor may retain with permission from the auditee the following documents:

- » 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.

#### 7.5 Long Term Improvement Plans

The WIETA online system makes provision for longer term corrective actions to be loaded up on the system. These actions would typically be corrective actions linked to housing or infrastructure refurbishment plans that take place over a number of years. Long term plans are also subject to review when annual certificates are due for release. It is the responsibility of the site to ensure that the requirements for updating improvements do not interfere with certification requirements. WIETA retains the right to withhold any certificate where evidence of long term improvement plans have not adhered to.

#### 7.6 Audit Follow-up

The audit follow-up focuses on the corrective actions agreed during the audit and closing meeting.

The audit company conducting the audit will be responsible for verifying whether actions have been taken and recording verification of actions. WIETA requires that all corrective actions be placed into a corrective action plan with attached evidence of improvements uploaded online. Time frames for corrective actions would have been agreed upon at the closing meeting and will range from 0 days through to 30, 60, 90 and 120 days depending on severity of non-compliances. Plans and evidence will be submitted no later than within 6 months of audit.

Where desktop verification of evidence submitted is not adequate, follow up audits or site verification visits are required depending on the severity of and/or nature of the non-compliance and as regulated by the ethical performance risk matrix.

### 7.6.1 Follow-up Audits

Follow-up audits are recommended for critical or major non-compliances or when corrective actions can be evaluated only through interviews, visual inspections not captured photographically and extensive documentation reviews.

Follow-up audits are at the cost of the registered company.

A full follow-up audit will 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 will focus on identifying changes which would address issues raised in the initial report, but also investigate potential additional issues.

A partial follow-up audit does not include a full review but only focuses on the issues identified in the corrective action or improvement plan.

#### ***Follow-up Audit Guidance***

- » The audit will be carried out once the deadline for addressing all of the issues has passed.
- » Follow-up audits generally take place within six months of the date of the initial audit.
- » A follow-up report is issued 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 verification may be used to verify corrective actions for minor non-compliances, but provide less assurance than a follow-up audit. Desk-based verification should check corrective actions through photos, copies of certificates, invoices submitted by the employment site. Desktop verification cannot be used where actions need to be verified through workers testimony.

## 8. AUDIT SIGN OFF

Once desktop and site verification evidence have been assessed by the Lead auditor, the corrective actions are then accepted or rejected by auditors on the online system.

Any rejected corrective actions will need to be reviewed by the auditee and evidence resubmitted for review.

Once completed accepted, the audit will be signed off and the audit managers will sign off certification for release on the WIETA online system. Certification is released on an annual basis, dependent upon any long-term improvements requiring submission.

Audit bodies also retain the right not to release certification, should any audit fees be outstanding.

The audit sign-off certificate will confirm the following:

- Producer and site name
- SAWIS numbers
- Risk rating A, B or C.
- Date of audit;
- Date of the next audit cycle;
- Date of issue of certificate
- Frequency of audit cycle.

## 9. EXTENSION OF CORRECTIVE ACTIONS

All evidence of corrective actions must be submitted on the system within 6 months from date of audit. The auditee may request an extension for the completion of corrective actions. This must be done in writing to WIETA and the involved audit body. However, no corrective actions may be further undertaken beyond 12 months of the audit date. Failure to load corrective actions up within a 12 months period from audit date will result in the audit lapsing. The auditee will then be required to go through a re-audit.

## 10. INCIDENTS REPORTING AND VIOLATIONS PROTOCOL

WIETA *Incidents Reporting and Violations Protocol Annexure I* sets out the procedures for ensuring that human rights due diligence is upheld in WIETA member businesses. The protocol also provides for a framework that supports the UN principles on Business and Human Rights and therefore believes that all businesses in the wine supply chain undertake due diligence in support of the promotion, protection and enforcement of human and labour rights of agricultural workers employed in cellars, bottling facilities and on farms.

WIETA also supports the international approach taken on human rights due diligence. An approach which holds that business need to take responsibility for ensuring that people's rights are protected, both in the workplace and on their business premises and property and that businesses be held accountable for any negative impact on human and labour rights, taking the responsibility to ensure that appropriate remedies are put in place to restore the rights of their employees and general citizens impacted by rights infringements within the business.

The guiding principles can therefore be summarised in three words

***PROTECT – RESPECT – REMEDY***

Where worker rights violations are reported, WIETA would have a commitment to evoke the WIETA Incidents & Violations Protocol & Process to investigate, access against the WIETA Code, and identify restorative solutions. These solutions would require that the necessary remedial actions are followed and a more responsible ethical business practice is adopted.

Effective communication, a co-operative and collaborative approach is critical to building good working relationships and restoring trust.

To assist such a co-operative approach, WIETA has prepared a set of guidelines to follow when human and labour rights infringement and/or Code violations are reported either via the media or through a complaint from within or outside of WIETA membership.

The guidelines are intended to maintain common understanding and cooperation throughout the investigation and resolution of the alleged human and labour right infringement and/or Code violation. The aim is to reach a conclusion that all parties accept as final, i.e. a position where the parties agree that as much as can be done has been done, bearing in mind the limitations inherent in any particular situation. These guidelines are outline in Annexure I.

## **11. WIETA RISK MATRIX AND AUDIT FREQUENCY**

The requirements for the WIETA Risk Matrix and Audit Frequency is contained in the policy on Risk Matrix and Audit Frequency. Please refer to the risk matrix tool contained in the policy in Annexure A.

The WIETA Ethical Performance Risk Matrix has been developed to provide robust assurances of the management of risk in respect of the ethical performance at cellar and farm level with

a wine supply chain. The programme subscribes to the following which can be used to mitigate and manage risk:

- Visibility of a supplier on the WIETA on line system
- Transparency allowing the supplier to share information on compliance status at the request of buyers
- Commitment to improvement – the supplier must demonstrate a commitment to improve on their conditions of work and the sustained fair treatment of workers. This includes the attendance to Producer Code Compliance and Worker Rights Training programmes.
- Of legal compliance levels and respect for the WIETA Code and continually provide information that supports this.

The programme subscribes to being improvement-led rather than audit-led and uses the WIETA Ethical Performance Risk Matrix to support this position. It creates five categories of risk - A, B, C and D where Category A the most stringent qualifying criteria. A WIETA member will be rated according to these risk categories.

<b>Risk Classification</b>	<b>Risk Indicator</b>	<b>Risk Category</b>	<b>Audit Cycle</b>
No Risk - Good Practice	<b>A</b>	<b>NO RISK</b>	3 years
Low Risk – Standard Practice	<b>B</b>	<b>LOW RISK</b>	2 years
Medium Risk – Compliant & Safe	<b>C</b>	<b>MEDIUM RISK</b>	1 year
High risk – Not compliant	<b>D</b>	<b>HIGH RISK</b>	Re-Audit within 1 year of audit in high season

## 12. ANNEXURES

- Annexure A WIETA Risk Matrix and Audit Frequency
- Annexure B Auditor Competencies and Requirements
- Annexure C WIETA Alert Notifications
- Annexure D WIETA Audit Policy for Temporary Employment Services
- Annexure E WIETA Classification Guidelines on Best Practice, Observations, Major, Minor and Critical Non Compliances
- Annexure F Summary of Findings and Corrective Actions Plan
- Annexure G Supplementary Audit Information
- Annexure H WIETA Audit Appeals Process
- Annexure 1 Incidents and Violations Reporting Protocol