

Environmental, Social and Governance (ESG)

Compliance Audit Question Preparation

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The purpose of this document is to provide a supplemental resource of potential questions an organization may be asked during their audit to help prepare responses.

While the specific requirements and questions may vary across audits, this list outlines the most common and stringent questions based on standards such as the Equitable Food Initiative, Fair Trade Standard, Global GAP, Primus GFS version 3.2, Rainforest Alliance Sustainable Agriculture Standard, Sustainable Food Group Sustainability Standard, and Sysco's guidelines.

FFVA is dedicated to helping our members successfully prepare for these evolving audit requirements.

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Below is a list of potential Environment, Social, and Governance (ESG) compliance audit questions designed to help members effectively prepare responses for their ESG audits.

1. Environment

Biosolids, Pesticides, and Nutrients

- Are biosolids or sludge used? (Some audits disallow these uses)
- Are pesticides and nutrients applied according to legal requirements (e.g., re-entry interval, pre-harvest interval, etc.)?
- Are pesticide and nutrient application records maintained for the past 3 years?
- Are pesticide and nutrient applications justified, minimized, and tracked?
- Is an integrated pest management (IPM) plan in place? How is the effectiveness of this strategy monitored?
- Are non-chemical and chemical pest control strategies identified and implemented cohesively?
- Are pest resistance and pesticide toxicity monitored?
- Are pollinators protected from pesticide applications?

Natural Resource Management and Sensitive Areas

- Are environmentally sensitive areas identified, monitored, and protected?
- Are buffer zones maintained around protected areas and water sources?
- Are pollinator habitats maintained, and impacts to pollinators minimized?
- Is a soil management plan in place and monitored?
- Are soil quality indicators tracked and improved over time?
- Are hazardous wastes and pesticides disposed of properly, away from water bodies?
- Are there designated areas for waste disposal and hazardous materials storage?
- Is wastewater treated before discharge into the environment?

Greenhouse Gases and Climate Impact

- Is the footprint of Greenhouse Gases tracked and minimized?
- Are measures in place to reduce food miles for product distribution?
- Is burning of vegetation, trash, or organic waste allowed under an accepted Best Management Practices (BMP) program?

Training and Certifications

- Are farmworkers trained on pesticide safety, Integrated Pest Management (IPM), and water stewardship practices?
- Do key personnel hold relevant pesticide applicator certifications?
- Are sustainability-related training and events provided to staff?

Waste Management

- Is organic waste managed to reduce environmental contamination risks?
- Are plastics, packaging, non-product waste, and hazardous wastes managed responsibly?
- Are food loss diversion strategies implemented (e.g., donating, composting)?
- Is the amount of food loss diverted tracked?

Water and Energy Use

- Does the operation track water and energy usage?
- Is there evidence of reductions in water and energy use per unit of production over time?
- Are renewable energy sources used or planned for operations?
- Is a water use risk assessment and management plan in place?

Biodiversity and Conservation

- Does a biodiversity protection and enhancement plan exist with measurable metrics?
- Are natural species and habitats, including endangered species, restored and conserved?

- Are there measures to protect air and water quality, such as controlling dust and preventing contamination?

2. Social Compliance

Worker Rights, Protection, and Compensation

- Is there a clear and accessible grievance mechanism for workers to file complaints?
- Does the company have policies to prevent retaliation when workers or whistleblowers report grievances or violations?
- Are workers allowed to form or join unions without fear of retaliation or discrimination?
- Are complaints, conflicts, and disputes handled fairly, confidentially and in a timely manner, with a process for escalation if internal mechanisms fail?
- Does the company have a human rights policy that covers labor rights and ethical treatment of workers?
- Does the company have systems in place to monitor and address human rights violations in its operations?
- Are wages paid in a timely manner and meet or exceed legal minimum wage requirements?
- Does the company provide detailed wage statements that include deductions, overtime, and bonuses?
- Are there systems in place to ensure that payments are accurate and transparent?
- Does the company provide additional benefits (e.g., healthcare, retirement) beyond base wages?
- Are there clear policies to ensure fair and equitable compensation for all employees?

Employment Practices

- Are recruitment practices ethical, transparent, and workers not charged recruitment fees?
- Are child labor and forced labor explicitly prohibited, and are safeguards in place to prevent them?
- Are employment contracts clear and compliant with legal standards?
- Are workers provided with clear, written contracts outlining their terms of employment, wages, benefits, rights and job responsibilities?
- Does the company comply with legal requirements for wages and benefits, including overtime and holiday pay?
- How does the company ensure that workers understand their contracts before employment begins?
- Are workers free to leave their employment without fear of penalty or retaliation?

Health, Safety, Working, and Housing Conditions

- Are workers provided with personal protective equipment (PPE) and safety training?
- Are workplace conditions clean, safe, regularly inspected, and meet legal requirements?
- Are emergency preparedness procedures in place, and how are workers trained to respond?
- Are there provisions for workers' physical and mental well-being at the workplace?
- Are working hours monitored to prevent overwork, and are breaks provided?
- If housing is provided, does it meet safety and hygiene standards?
- If applicable, are workers provided with adequate living conditions, including access to clean water, sanitation, and rest areas?
- If applicable, are housing facilities located close to work sites, ensuring safe commuting for workers?
- Does the company monitor subcontracted work to ensure it complies with social compliance standards?
- How does the company ensure that home-based workers have the same rights and protections as those in the main workplace?
- Are subcontractors held accountable for maintaining ethical labor standards?

Child School Access

- Does the company ensure that it does not interfere with workers' children's access to education?
- How does the company support the education of workers' children, particularly in remote or underserved areas?

- Does the company monitor and address any barriers that workers' children may face in accessing compulsory education?

Equality and Non-Discrimination

- Are policies and education in place to prevent and rectify discrimination, violence, and harassment?
- Are incidents of violence and harassment addressed promptly and fairly?
- Are workers treated equally in terms of hiring, promotions, and pay?

3. Governance

Leadership and Management

- Does the company demonstrate commitment to staying informed and complying with relevant labor laws and regulations?
- Are management systems audited to ensure effective implementation of legal compliance?

Compliance and Audits

- Are operations compliant with environmental regulations and standards?
- Have violations or emergencies been addressed with corrective actions?

Sustainability Initiatives

- Does the organization have a written sustainability plan with documented goals and progress?
- Is consumer product packaging sustainable? (Examples: biodegradable, reusable, compostable, recyclable, other)

Business Ethics and Community Involvement

- Does the company adhere to local, national, and international labor and environmental laws?
- Are business ethics policies, including anti-corruption measures, in place and followed?
- Is there a process in place for reporting unethical practices or violations?
- Does the company contribute to the welfare of local communities, such as through educational or healthcare initiatives?
- How does the company engage with communities to address their concerns about operations?
- Does the company monitor the impact of its operations on the local community and take steps to minimize negative effects?