SQAS-AFRICA

(Safety and Quality Assessment for Sustainability – AFRICA)

Guidelines

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SQAS-AFRICA Guidelines

Contents

TERMS OF USE

While the advice given in these guidelines has been developed using the best information currently available, it is intended purely as guidance and to be used at the user's own risk. No responsibility is accepted by CAIA - the Chemical and Allied Industries' Association - or by any person, company, corporation or organisation who or which has been in any way concerned with the provision of information or data, the compilation, publication or any translation, supply or sale of this guide, for the accuracy of any information or advice given herein or any omission here from or for any consequences whatsoever resulting directly or indirectly from compliance with or adoption of guidance contained herein even if caused by a failure to exercise reasonable care.

A. GENERAL GUIDANCE

1. INTRODUCTION

The chemical industry in Africa utilises, to a large extent, the logistics services offered by third parties to store, handle and transport raw materials, intermediates and finished chemical products. Chemical companies need assurance that these operations are carried out in a safe and responsible manner with due regard for the protection of employees, the public and the environment. In the past, this assurance has often been obtained by individual chemical companies undertaking periodic audits of their Logistics Service Providers (LSPs) and distributors, leading to a fragmented approach and a multiplicity of auditing programmes which were costly and inefficient for both the chemical, transport and distributor industries.

Within the framework of Responsible Care®, Cefic launched in the early 1990's the ICE (Intervention in Chemical transport Emergencies) programme aimed at improving safety performance during the transport, storage and handling of chemicals. A key element of the ICE programme was the development of a number of Safety and Quality Assessment Systems (SQAS) now known as Safety and Quality Assessment for Sustainability (SQAS), each related to a particular transport mode, logistic operation or route to market.

SQAS-AFRICA provides a tool to audit the safety, health, environmental, quality (SHEQ), security and corporate social responsibility (CSR) management systems of LSPs and distributors. The audits are carried out in a uniform manner by independent auditors, using standardised questionnaires, thereby avoiding multiple audits by individual chemical companies. SQAS-AFRICA helps chemical companies in the process of selecting LSPs and/or distributors and in defining improvement actions with each of them.

An SQAS-AFRICA audit by an independent auditor leads to a certificate and all certified companies shall be listed on the CAIA website. This single audit is intended to replace the many inspections to which the LSPs and distributors have traditionally been subjected, without making the dialogue between service provider and chemical company redundant.

Although SQAS-AFRICA does not guarantee the SHEQ, security and CSR performance of the service provided by a supplier or partner, it does offer a mechanism to evaluate continual improvement. The system provides useful feedback directly to the audited company on the strengths and weaknesses observed during the audit. SQAS-AFRICA consists of 3 different categories i.e. Transport Service, Tank Cleaning Stations and Warehouses.

2. AUDIT DOCUMENTS

2.1. General

Most SQAS-AFRICA questions in the questionnaires have a guideline, which includes detailed information for both the auditor and the audited company on how to interpret them. These questionnaires have been posted on the CAIA website for downloading.

2.2. Overview of Questionnaires

The SQAS-AFRICA audit questionnaires consist of a CORE questionnaire, which is relevant for any LSP, and a SPECIFIC part, which is relevant to the specific activities of the audited company. Questionnaires are available for Transport Service, Tank Cleaning and Warehousing.

2.2.1. Core Questionnaire

The CORE questionnaire covers three areas:

1. Management

This section covers subjects like: management responsibility, personnel, reporting and investigation of non-conformances, auditing and reviewing of the management systems, etc. All are important areas where management shall show a strong personal leadership and facilitate a supporting system to guide company activities towards SHEQ, Security & CSR excellence.

2. Safety, Health, Environment, Quality, Security and CSR

This section seeks to verify that the highest standards of safety, health, environmental, quality, security and CSR are maintained and that there is proper concern for the protection of all employees, the public and the environment.

3. Procurement of Services

This section covers how the audited company controls the standards of subcontracted services and contractors.

2.2.2. Questionnaires for SQAS-AFRICA Categories

The SPECIFIC questionnaires cover a large variety of topics depending on the activities of the audited company.

2.2.2.1. SQAS-AFRICA Transport Service

The "SQAS-AFRICA Transport Service" category is intended to audit asset-based transport companies, operating predominantly with their own vehicles and drivers, as well as for LSPs that are direct partners of the chemical companies, but are subcontracting their logistics service provision to other companies.

2.2.2.2. SQAS-AFRICA Tank Cleaning

The SQAS-AFRICA Tank Cleaning questionnaire is applicable for Tank Cleaning companies.

2.2.2.3. SQAS-AFRICA Warehouse

The SQAS-AFRICA Warehouse questionnaire can be used for both bulk solids, bulk liquids and packaged goods warehouses. Specific questions are applicable for all types.

2.3. Definition of a SQAS-AFRICA Auditable Unit

An SQAS-AFRICA auditable unit is defined as each unit of an LSP that is managing the SHEQ, Security and CSR aspects of its transport, distribution, tank cleaning or warehousing operations. An auditable unit shall comprise only one site or location except where sites are very close (within a distance of 5 km) and have the same management and management system.

2.4. Combined and Multi-site Audits

2.4.1. Combined Audits

More and more LSPs offer several logistics services such as transport and tank cleaning. These companies would be subject to a duplication of audits because the various SQAS-AFRICA packages contain a substantial number of common questions.

The Core questionnaire addresses the common aspects of the SHEQ, Security and CSR management system of any logistics service providing company. Questions, which relate to a specific logistic service, are handled in the specific questionnaires. This arrangement enables an audit of the general management systems using the Core questionnaire, supplemented with an audit of the specific logistic service using the specific questionnaires. This avoids, for example, that a road transport company which also operates a cleaning station, would be subject to two full audits i.e. SQAS-AFRICA Transport Service and SQAS-AFRICA Tank Cleaning. One single Core audit can be used in combination with two separate specific audits of the road transport and the cleaning station activities. However, a specific audit can only be combined with a Core audit if it is carried out within three months after the last audit date. If the audits are separated by a longer period of time, the Core audit shall be carried out again.

2.4.2. Multi-site Audits

2.4.2.1. Multi-site Companies

Multisite companies consist of a Headquarters and multiple subsidiaries.
The conditions indicated below have to be fulfilled by the company in order to allow a multi-site audit covering more than one subsidiary:

- The company shall have the same management system at the Headquarters and the subsidiaries. The follow-up of the management system shall be performed centrally (internal audits, management review, goals, improvement plan, etc).
- The company's Human Resources and training shall be managed centrally.
- The selection and evaluation of subcontractors shall be done centrally.
- The purchasing of equipment shall be done centrally.

The same auditor shall carry out the audits of the Headquarters and the subsidiaries. Exceptions are possible but have to be sought from and approved by CAIA. The Headquarters have to be audited first. The time between the audit of the Headquarters and the last subsidiary shall be less than or equal to six months.

To calculate the audit time, a Pre-Audit Document (PAD) shall be filled in for the Headquarters and every subsidiary.

2.4.2.2. Audit Process of a Multi-site Company

1. The subsidiaries to be audited have to be defined.

2. During the audits at the subsidiaries, the core part of the report of the Headquarters shall be used. The findings in the core part of the questionnaire shall be verified by the auditor and if necessary, modified accordingly, based on the evidence found at the subsidiaries.

3. The subsidiaries that cannot be audited within the six-month period of time can be audited in another cycle, but then the Headquarters shall have to be audited again.

2.5. Answering Questions

It is a requirement that all questions are answered. Sampling of questions is not permitted. Each question shall be answered with either "1" (Yes) or "0" (No) or "Not Applicable" based on verbal replies from the audited company and objective evidence seen by the auditor. For each question the auditor is encouraged to add a comment (e.g. to explain why a positive or negative answer was given). A comment is compulsory for a score of "0" or "N/A". All comments shall be in English. The value of the report significantly increases when descriptive comments are provided which explain the scoring. In cases where the answer is "Not Applicable", the addition of a comment is mandatory (the auditor shall explain why the question is considered as "Not-Applicable" for the audited operations).

If the score of the question is "0" the auditor shall record what is missing, if the score is "1" the auditor shall record the objective evidence that supports the score. The auditor and the audited company also have the opportunity to add general comments on the complete audit. Any comments from the auditor shall be objective and not based on personal or subjective opinions.

2.6. Question Types

Questions related to the Responsible Care® initiative are found in the CORE questionnaire.

2.7. Pre-Audit Document (PAD)

The company that is going to be audited has to complete the PAD four weeks before the audit and send it to CAIA. The purpose of the PAD is:

- To define the scope of the audit and to provide relevant information to the auditor to prepare for the audit. The PAD contains basic information on the company: activities to be audited, number and kind of employees, number and kind of subcontractors, etc.
- To save time during the audit. The auditor has to check the information provided by the company.
- To calculate the audit time.

It is necessary to fill in a PAD for every site that is going to be audited.

3. THE AUDITOR

The highest standards of ethical behaviour are expected from SQAS-AFRICA auditors. The following minimum SQAS-AFRICA auditor etiquette is essential.
1. The findings presented in the audit report are to be regarded as confidential and on no account shall the auditor discuss the contents of the report with any third party.
2. The auditor shall not interfere with the normal operations of the LSP.
3. The auditor shall not operate any equipment, offer advice on any operational matters or give any advice on how a particular non-compliance or observation may be corrected.
4. The auditor is expected to set a good example with respect to his own safety behaviour during the audit. He/she shall follow the safety procedures defined for the site under audit and shall wear protective personal equipment, when required.

4. GUIDANCE ON THE AUDIT PROCESS

4.1. Audit Process

The SQAS-AFRICA audit process shall be as described below. It shall be specifically understood that CAIA is not responsible for the choice of any SQAS-AFRICA auditor or the contents of any audit report obtained in accordance with the SQAS-AFRICA procedures. CAIA is involved only in ensuring the quality of the auditor and the audit process.

CAIA does not review or evaluate the audit reports and expresses no opinion concerning their accuracy. CAIA accordingly disclaims any liability for costs, claims, damages, losses and expenses, directly or indirectly resulting from participation in the SQAS-AFRICA Management System. An SQAS-AFRICA Management System will need to be fully developed and implemented prior to an SQAS-AFRICA certification audit.

The SQAS-AFRICA audit process consists of the following steps:

1. Any LSP or distributor (on its own initiative or at the request of a chemical company) may decide to have an SQAS-AFRICA audit performed. LSPs are advised to familiarise themselves with the applicable questionnaires and the associated guidelines before requesting an audit.

2. The company to be audited selects an auditor from the list of Accredited SQAS-AFRICA Auditors available on the CAIA website: http://www.caia.co.za.

3. The company to be audited downloads a blank **Pre-Audit Document** (PAD) from the CAIA website.

4. The company to be audited fills in the PAD with all the applicable information necessary for the auditor to identify the scope of the audit.

5. The completed PAD shall be sent to CAIA by the company to be audited.

6. CAIA shall send the completed PAD to the auditor.

7. The auditor determines the time needed to carry out the audit on the basis of the information provided in the PAD by the company to be audited.

8. The accredited auditor completes an SQAS-AFRICA Audit Planning Form and sends it to CAIA **two weeks** before the start of the audit. This form contains the contact name and e-mail of the company to be audited. CAIA may verify if the planned audit is in conformity with the SQAS-AFRICA audit process before uploading the information on the CAIA website.

9. The auditor carries out the audit.

10. After completion of the audit, the auditor shall send the audit report by e-mail to CAIA **within one week** following the audit. CAIA shall send the report to the audited company and will not share the audit report with any other third-party without the audited company's consent.

11. CAIA shall list/update the audited company details on the CAIA website within three days of receiving the audit report. Only those companies that obtain an average score of 90% or above **AND** 100% on mandatory questions shall be listed as SQAS-AFRICA approved companies on the CAIA website. Companies that are audited for the first time and fail the audit shall be given 90 days to rectify their non-conformances, while all other companies shall be given 30 days to rectify their non-conformances.

12. CAIA shall issue a certificate to the SQAS-AFRICA-approved companies (refer to step 11) within two weeks of receipt of the final audit report. Only companies that obtain an average score of 90% or above **AND** 100% on mandatory questions shall be issued with a SQAS-AFRICA certificate of compliance.

13. The audited company shall develop an Improvement Action Plan. This plan can be updated at any time during the validity period of the certificate and may be requested as objective evidence during the re-audit of the company.

14. The audited company can use the SQAS-AFRICA Logo as described in the "Conditions for use of the SQAS-AFRICA logo" document.

15. All audit reports shall be archived after two years, by CAIA.

16. A re-audit shall take place before the end of two years. A CAIA representative shall e-mail audited companies, to announce the expiry of the certificate two months before the expiry date.

17. An intermediate audit carried out at the company's request shall not change the validity period of an SQAS-AFRICA certificate.

4.2. Preparation for an Audit

As mentioned in section 4.1, the company to be audited shall select an auditor from the current list of Accredited SQAS-AFRICA Auditors on the CAIA website and make arrangements for the audit directly with the selected auditor. The auditor shall work closely with the company to be audited to co-ordinate all necessary activities related to the SQAS-AFRICA audit and to develop a detailed schedule for the audit. Audits shall be arranged giving as much time as possible to the company to be audited to ensure that the audit does not interfere with other activities.

The pre-notified planned audits shall be on the CAIA website for access by authorised persons. CAIA shall make arrangements with the company to be audited to accommodate interested

observers/trainee auditors approved by CAIA to participate in the audit. Audits that have not been pre-notified and have not been authorised electronically shall not be recognised by CAIA and shall subsequently not be included in the SQAS-AFRICA database.

It is important to clearly define the scope of the planned audit, in particular for international or multi-site companies, taking into account the following items:
- the type of audited activity (transport service, tank cleaning, warehousing);
- the nature of the materials handled (bulk, packed, liquids, solids, hazard classes, etc.);
- the geographical coverage of the transport operations (national or international transport); and
- the sites that are going to be audited.

The time required for a complete audit shall be dependent on the size and the activities of the audited company as indicated in the PAD.

In order to have an effective SQAS-AFRICA audit (both in terms of time, cost and results) proper preparation, by both the audited company and the auditor, is essential:
- the company to be audited shall familiarise themselves with the SQAS-AFRICA questionnaire by looking at each question in its proper context together with the corresponding guidance notes;
- the auditor shall agree with the company to be audited upon the scope of the audit, the sequence of the areas to be audited, and a corresponding time planning for the day(s) of the audit; and
- documentary evidence shall be at hand or readily available during the audit.

4.3. The actual audit

The auditor shall hold an opening meeting with the responsible/authorised person(s) of the company to be audited to confirm the scope of the audit and to explain the SQAS-AFRICA scoring system.

The auditor shall ask to see sufficient supporting evidence, checking that procedures have been put into practice and actually lead to the intended outcomes.

Any assurances of the company being audited shall not be accepted by the auditor as compliance with a particular question if there is no objective evidence to support it. If there is a procedure in place but no evidence that the procedure is implemented, the auditor shall record a '0' and add a comment.

Strict but fair scoring shall be applied. All SQAS-AFRICA audits shall be performed with strict adherence to the guidelines and instructions provided to the auditor during the training course and through any guidance or other instructions given by CAIA. **In case of doubt or only partial compliance a "0" shall be recorded** and a comment shall be added by the auditor to explain the actual situation.

Care shall be taken in the acceptance of "Not Applicable" scores. This shall not be used if "0" is actually the right score. The auditor shall not be persuaded that the company does not carry out such an activity when in fact it could or should do so.

On completion of the audit, the auditor shall hold a closing meeting with the responsible/authorised person(s) of the company undertaking the audit. The auditor shall discuss with the responsible/authorised person(s) the scores given in the questionnaire and if requested to do so, explain how the scores have been determined. Shall a "0" score or comment be contested by the responsible/authorised person(s), then the auditor shall give the responsible/authorised person(s) the opportunity to show objective evidence to satisfy the question requirement. If satisfactory evidence of compliance is shown, then the score to the question shall be amended. Scores to questions shall not be amended after the auditor leaves the audited company site with the exception of changes required after the 30/90-day grace period given for non-conformances. The responsible/authorised person(s) shall be given the opportunity to comment in writing on the contents of the audit report and general auditor behaviour through the Audit Feedback Form which shall be e-mailed to the auditee by CAIA after receipt of the audit report. The comments from the responsible/authorised person(s) shall be reviewed by CAIA and appropriate action taken, if necessary.

Observers/trainee auditors approved by CAIA, in agreement with - or invited by- the company to be audited, may attend an audit. They shall not interfere with the audit process. Observers/trainee auditors shall be announced to and agreed with the company to be audited by CAIA prior to the audit. The company to be audited may decline to accept a specific observer/trainee auditor but cannot decline an observation by a staff member of CAIA or the Technical and Accreditation Committee taking place.

4.4. After the Audit

Audited companies shall put into place an Improvement Action Plan based on the non-conformances identified in the audit report.

4.5. Re-audits

All SQAS-AFRICA audited sites shall undergo an SQAS-AFRICA audit within two years of certification (before the certificate expires). Audited sites shall undergo a compulsory partial SQAS-AFRICA audit of relevant sections of the company in the event that there is a change in:
- ownership of the company
- the nature of business operations
- location of operations

Under no circumstances will expiry dates on certificates be extended without the company undergoing a re-audit of their SQAS-AFRICA Management System. If a re-audit is carried out after the expiry date, the resulting certificate will expire two years after the original re-audit date.

4.6. Intermediate Audits

Audited companies, chemical companies and CAIA may decide to request for an intermediate audit for certain sections of the questionnaires. The time spent for such an intermediate audit depends on the topics to be re-audited. An intermediate audit shall be carried out by any accredited auditor and may take place at any time during the validity period of the initial audit but shall not extend its validity period. The intermediate audit shall be carried out on site, not remotely. Only the questionnaire sections chosen by the company shall be re-audited.

The auditor has to record the sections re-audited and the time spent in the "auditor comments" part of the report. The intermediate report shall not replace the initial report.

4.7. International audits

An auditor can carry out audits in other African countries if the following conditions are all satisfied:
- The audit shall be carried out in English.

- The auditors have to know local legislation. The additional local legal requirements shall complement the requirements of SQAS-AFRICA.

If any of the above conditions are not satisfied, the auditors shall have to be accompanied by a local specialist that covers the gap. The specialist shall be selected by the auditor, not by the company to be audited. The specialist has to be independent from the company to be audited. His/her name and contact details shall be recorded in the audit report.

4.8 Spot Audits

Spot audits are part of CAIA's comprehensive SQAS-AFRICA Management System. Spot audits will be conducted randomly to ensure conformance between audits, and in some instances in response to a complaint or concern. When complaints are received, CAIA will work closely with the auditor involved and will assign a competent auditor or auditors, to carry out the spot audit together with a CAIA representative.

CAIA does not review the audit report for audit quality. However, random checks will be carried out on reports to ascertain whether scores correspond to the comments given by the auditor as well as to identify any other pointers to non-ethical behaviour by the auditor. Any suspicions by CAIA of non-ethical behaviour may lead to a spot audit.

5. ELECTRONIC SQAS-AFRICA DATABASE

The SQAS-AFRICA Database is established at the web address: www.caia.co.za, where electronic documents and the list of SQAS-AFRICA certified companies can be downloaded/viewed.

6. SQAS-AFRICA USER GROUP

The SQAS-AFRICA User Group is a group of LSPs that are not members of CAIA and have implemented the SQAS-AFRICA Management System. After successful completion of an SQAS-AFRICA audit, members of this group are required to pay an administration fee before their company names can be listed on the CAIA website and a certificate issued. Failure to pay the fee will lead to delays in the process described under section 4 of this document.