

# Enhancing Social Auditing and Risk Identification in 4C Certification



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Swiss Confederation

Federal Department of Economic Affairs,  
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UK International  
Development

Partnership | Progress | Prosperity



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CARBON SOLUTIONS





# Project partners



Lead organization



Project partner



Project partner and beneficiary



# The project in a nutshell



## Project title

Fostering Social Auditing: Enhancing Issue Detection and Risk Identification through Responsive and Context-Specific Approaches

## Primary goal

Enhance social auditing and risk identification during both third-party and internal audits

## Current challenges

Detecting social risks such as child labor, discrimination, and harassment can be challenging due to their often-hidden nature and the complexity of underlying causes

## Approach

Refining our auditing methodologies and creating supportive environments for assessments

## Time frame

August 2024 – July 2026



# Project partners

Globally leading **certification** system for sustainable **coffee production**

Lead organization



Independent sustainability **consultancy** with a proven record of expertise on environmental and social aspects

Project partner

The world's leading **certification system** supporting sustainable supply chains.

Project partner and beneficiary





# What we aim to achieve



Improving social auditing and risk identification



Strengthening trust and transparency among stakeholders



Achieving greater accountability and compliance with social standards

# Target Beneficiaries



Farmers and workers who are more vulnerable to human rights violations



Managing Entity of 4C Unit that ensures compliance with human rights of all group's members



Certification Bodies and auditors that conduct 4C audits

# Other Beneficiaries



ISCC Plus will translate learnings into the further development ISCC PLUS Social Criteria



Other sustainability schemes that are part of the ISEAL Community



The Sustainable Coffee Challenge (SCC) and its members



# Theory of Change

## WHAT WE DO

Managing Entities (MEs)

Certification Bodies (CBs) and auditors

4C system

Extensive stakeholder consultations

Baseline assessment

Hybrid auditing tools

Development of comprehensive social auditing training programs

Revision of the Internal Management System (IMS)

## METHODS

- Human rights-based approach
- Participatory
- Case Sensitive
- Responsive

## SHORT-TERM OUTCOMES

Improved understanding of social auditing challenges

Increased organizational abilities to measure and report impact of MEs

Enhanced capacities of external auditors and MEs in identifying and managing social risks

Improved internal management systems and grievance mechanisms within 4C Units

## LONG-TERM OUTCOMES

Inclusion of voices from affected communities

Greater accountability in the detection of human rights issues

## IMPACT

**ENHANCED SOCIAL IMPACT OF THE 4C SYSTEM**



# Project Activities and Steps

## Year One

### Identifying Needs and Designing Methodologies

Baseline Assessment

Consultation Process

Training Program Development

## Year Two

### Implementation and Capacity Building

Tool Development

Capacity Building

Pilot Audits and Follow-up

Integration and Promotion

# Baseline assessment: methods and preliminary results

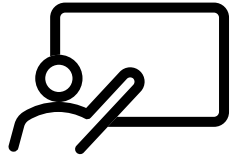
## Methodology

- Systematic online search focusing on publicly available resources
- 12 documents reviewed highlighting key challenges in social auditing, for example:
  - Obsessed with Audit Tools, Missing the Goal – Human Rights Watch
  - From Audit to Innovation: Advancing Human Rights in GSC - Shift
  - Human rights fitness of the auditing and certification industry? - BfdW
- 18 documents focused on available tools, for example:
  - The Cooperation On Fair, Free, Equitable Employment (COFFEE) Project - Verité
  - Effective Grievance Mechanisms Self-Assessment Tool – ISEAL
- **Results will be complemented with findings from the online survey, and the online and in-person consultations**





# Baseline assessment: methods and preliminary results



## Inappropriate Human Rights methodology

Lack of understanding of criteria for assessing HR procedures like e.g. grievance mechanism, FPIC process

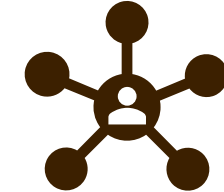
Common understanding of key criteria to effectively assess HR risks



## Checklist approach

Inadequate in identifying and addressing the multifaceted, hidden, and sensitive human rights risk

Root Cause Analysis & Enabling environment and creating a safe place



## Lack of integrity mechanism

Lack of integrity mechanism can enhance the risk of blurred audit results

Grievance Mechanism



Thank you for your attention!