

SMETA CODE

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The Supplier Ethical Data Exchange (Sedex) is a not-for-profit, membership organisation for businesses committed to the continuous improvement of ethical performance within their supply chains. Sedex was founded in 2001 by a group of UK retailers to drive convergence in social audit standards and monitoring practices. The aims of Sedex are to ease the auditing burden on suppliers through the sharing of reports and to drive improvements in supply chain Labour Standards. This Sedex Members Ethical Trade Audit (SMETA) has been developed by the Sedex Associate Auditor Group (AAG), through multi-stakeholder consultation, to provide a best practice reference framework for social auditing and reporting. It draws from practices defined by Sedex members and by the Global Social Compliance Programme (GSCP) www.gscpnet.com.

SMETA AND THE ETHICAL TRADING INITIATIVE (ETI) BASE CODE

SMETA Best Practice Guidance (SMETA BPG) describes the key steps of planning, executing and documenting a "SMETA audit" against the following four auditing pillars:

A 2 SMETA 2-Pillar audit comprises:

- ✚ Labour Standards.
- ✚ Health & Safety.
- ✚ Additional elements of Entitlement to work; Subcontracting and homeworking; Environment (Shortened).

A SMETA 4-Pillar audit contains in addition:

- ✚ Environment (extended) – this replaces the environment (shortened version) detailed above.
- ✚ Business Practices.

SMETA BPG (this document) has been produced to give a consistent global auditing procedure that Sedex members can share with confidence with full transparency on the standards and protocols used. Many types of social audit are performed such as BSCI, WRAP, SA 8000, ICTI and all social audits can be uploaded onto Sedex. It lies with the individual member to decide what audit is acceptable to them however Sedex hopes that by providing SMETA BPG publicly, companies will increasingly converge on one international audit protocol.

SMETA 2-Pillar audit has been developed for auditing against the Ethical Trading Initiative (ETI), Base Code plus the additional elements listed above. The guidance can be adopted and tailored to carry out audits against a range of other standards with certain conditions. SMETA BPG undergoes an annual

review to ensure that it reflects changes in social auditing. This process includes feedback from stakeholders. The latest version will be available on the Sedex website.

SMETA AUDITS A2 & A4

A SMETA 2-Pillar audit comprises the 2 auditing pillar of Labour Standards and Health & Safety, and these are mandatory modules for any SMETA audit. It also contains the additional elements of Entitlement to work, Subcontracting and Homeworking, and a shortened Environment assessment. A SMETA 4-Pillar audit includes all the above plus the additional pillars of Environment (extended assessment – replaces shortened assessment) and Business Practices These additional pillars may not be required for all Sedex members and it is important that sites of employment and auditors are clear when these extra modules are required.

SMETA (Best Practice Guidance) APPLICATION

SMETA Best Practice Guidance (SMETA BPG) is a compilation of social audit best practices to help auditors achieve the consistency needed for social audits to be widely accepted by retailers and brands. It also helps organizations who are commissioning audits to specify the auditing methodology required. SMETA BPG is not intended as a stand-alone description of how to conduct an audit. Instead, it sets out to establish a common set of criteria to supplement auditors' own systems. SMETA BPG may be used by any auditor or audit company, including those who are not Sedex members. It is also applicable to all sizes and types of employment site, including manufacturing sites, agricultural sites and service providers. The reference to a "SMETA BPG audit" shall only be used when all the criteria outlined in this document save been used during the audit process. SMETA BPG does not certify auditors or auditing bodies and relies on the controls and accreditations that already exist. It is recommended that companies commissioning audits should assure themselves of the qualifications and competency of the auditors and their ability to meet SMETA BPG requirements.