

SEDEX (SUPPLIER ETHICAL DATA EXCHANGE) – A SMETA AUDIT



SEDEX is a not for profit membership organisation dedicated to driving improvements in ethical and responsible business practices in global supply chains.

As the largest collaborative platform for sharing ethical supply chain data, SEDEX is an innovative and effective supply chain management solution, helping you to reduce risk, protect your company reputation and improve supply chain practices.

SEDEX- Supplier Ethical Data Exchange program is a web-based system designed to help businesses improve ethical performance of their supply chain. This platform stores data on responsible business practices and allows the sharing of ethical performance information with multiple Brands & Customers.

SEDEX engages with all tiers of the supply chain with the aim of driving improvements and convergence in responsible business practices. Members can share and manage information in four key areas: Labour standards, Health and Safety, the Environment and Business Ethics.

SEDEX has two main aims:

1. To ease the burden on suppliers facing multiple audits, questionnaires and certifications
2. To drive improvements in the ethical performance of global supply chains.

Our core product is SEDEX Advance, a secure, online database which allows members to store, share and report on information in four key areas:

- Labour Standards
- Health & Safety
- The Environment
- Business Ethics

SMETA- SEDEX Member Ethical Trade Audits is a Standard used for Ethical Trade Audits. SMETA Audits are based on ETI Codes which includes implementation of Environment, Health & Safety, Business Ethics and Labour Standards in the supply chain.

ETI Code is founded on the conventions of the International Labour Organisation (ILO) on labour practices and URS conducts SMETA Audits in India. Requirements of SEDEX Audits are based on ETI principles and include:

i) Employment is Freely Chosen:

There is no forced, bonded or involuntary prison labour and individuals are free to leave their employer after reasonable notice.

ii) Respect to Freedom of Association:

Workers have the right to form or join trade unions at their own. Employers must adopt an Open attitude towards trade unions and Workers representatives without discrimination.

iii) Working Conditions are Safe and Hygienic:

A safe and hygienic work environment shall be provided to the workers to satisfy the requirements of SEDEX Audits. Steps shall be taken to prevent accidents and injury.

iv) Child labour shall not be employed:

Requirements of SEDEX Audits based on SMETA Standard shall consider that there shall be no recruitment of child labour. Children and young persons under the age of 18 years shall not be employed at night or in hazardous conditions.

v) Minimum Living wages are paid:

Wages and benefits paid to a worker, at a minimum, shall meet national legal standards or industry benchmark standards to follow requirements of SEDEX Audits.

vi) Working hours are not excessive:

Working hours must comply with national laws and collective agreements and shall normally not be allowed to work exceeding 48 hours per week. All overtime shall be voluntary.

vii) No discrimination is practised:

Discrimination in employing, hiring, engaging, compensation, benefits and termination, retirement shall be prohibited and Social Compliance Audit require that these are not based on race, caste, nationality, religion, gender, sexual orientation or political affiliation.

viii) Regular employment is provided:

Requirements of SEDEX Audits enable organizations to perform work on recognised employment relationship basis. Social Compliance Audits covers that Obligations to employees established under labour laws shall not be avoided.

ix) No harsh or inhumane treatment is allowed:

Physical or verbal abuse, sexual or other harassment or other forms of intimidation are prohibited under per requirements of SEDEX Audits.

BENEFITS OF SEDEX AUDITS:

- SEDEX Audits reports reduce supply chain audit duplication by providing a widely acceptable single format for Social Compliance Audits.
- Social Compliance Audits as per SMETA Standard enable companies to effectively share and manage supply chain ethical information.
- SMETA Audits enhances ethical trading programs in supply chain.

- Reduces risks in social responsibility and sustainability through Social Compliance Audits as per SMETA Standard.
- Brands and buyers are able to view, share data of suppliers' social compliance audits on SEDEX database.