

Introduction to SMETA

INTRODUCTION

What is Sedex?

The Supplier Ethical Data Exchange (Sedex) is a membership-based data platform, that leads work with buyers and suppliers to deliver improvements in responsible and ethical business practices in global supply chains.

Sedex was founded in 2001 by a group of UK retailers to drive convergence in social audit standards and monitoring practices, resulting in the launch of SMETA in 2004, the world's most widely used social audit methodology.

What is SMETA?

SMETA, Sedex Members' Ethical Trade Audit, is the world's most widely used social audit methodology. It provides a standardised framework for assessing risks in global supply chains related to labour standards, health and safety, environment, and business ethics practices through a rigorous, third-party, on-site assessment. It empowers businesses to engage in responsible sourcing, safeguard workers' rights, and maintain ethical practices throughout their supply chains.

SMETA Key Principles

ETI Base Code

SMETA assesses sites against both local law and the ETI Base Code, and findings are raised whenever either are not met, ensuring the highest protections for workers are always recognised. The same standard is applied to all businesses, regardless of country, size or industry. This creates a comparable dataset for businesses globally, ensures a fair assessment of all sites, and enables suppliers to share one audit with multiple customers.

"The ETI Base Code is founded on the Conventions of the International Labour Organisation (ILO) and is an internationally recognised code of good labour practice. It is viewed as a global reference standard and is widely used as a benchmark against which to conduct social audits and develop ethical trade action plans" – Ethical Trading Initiative

Continuous Improvement

Sedex is not a certification body and does not impose a pass/fail model within the SMETA audit. Rather, Sedex encourages the use of the data and the findings by supplier and buyer members alike to identify what next step activities need to be undertaken in order to improve their businesses' impacts on workers and the environment, and to track improvement over time.

SMETA audits are a valuable aide for responsible sourcing, though these alone cannot resolve severe social and labour issues. They are particularly effective when used as part of wider programmes deploying multiple tools for due diligence, risk assessment, remediation and supplier engagement.

Collaboration

Sedex encourages its members to work collaboratively to enact sustainable change. Issues relating to worker or environmental rights violations often require collaboration between different stakeholders such as buying companies, suppliers, trade unions, NGOs, relevant expert organisations, and impacted workers, to ensure that effective due diligence is undertaken. Sedex recommends its members utilise SMETA audits to assess the root cause of issues and work with relevant partners to help to identify long-term solutions to systemic problems.

Affiliate Audit Companies

SMETA audits may only be undertaken by independent third-party auditors, through one of Sedex's Affiliate Audit Companies (AACs). The selection and quality management of the AACs is undertaken by Sedex's Audit Quality Programme.

SMETA Evolution

SMETA is fully reviewed and updated at least every 5 years. Basic updates and maintenance are undertaken as necessary, in the interim, with a yearly assessment undertaken to ensure the relevance of the methodology. The purpose of SMETA audit updates is to ensure that SMETA remains an industry leading audit methodology, assessing risks relevant to the ETI Base Code through the most appropriate audit techniques.

A full SMETA review follows the below process:

1. Research and data gathering
2. Methodology design
3. Oversight from a Technical Advisory Group consisting of a representative sample of the Sedex membership, Affiliate Audit Companies, and relevant external experts
4. Public consultation for a period of at least 60 days
5. Consideration and integration of consultation feedback
6. Publication of the finalised Methodology

At all stages Sedex endeavours to ensure input and feedback from a broad range of stakeholders, including a representative sample of Sedex members, bringing varied geographic and sectoral specific experience, and external organisations with specific expertise.

SMETA 7

SMETA 7 was launched in September 2024 and is the latest SMETA iteration. SMETA 7 consists of:

- An assessment of non-compliance with local legislation or non-conformance with the ETI Base Code against the SMETA Workplace Requirements.
- A Management Systems Assessment, grading the strength of the systems in place to manage risks for each Base Code Area individually.
- Additional data points, to provide contextual information about the site and to support identifying further due diligence activities, and measure their effectiveness.
- Follow-up assessments of Corrective Actions undertaken, where findings have been identified.

There are no normative documents for SMETA 7, at launch all guidance and documentation regarding previous SMETA methodologies were superseded by the SMETA 7 suite of guidance. These guidance documents provide comprehensive information on how SMETA audits are conducted and what is assessed:

- SMETA Minimum Requirements for AACs
- SMETA Stakeholder Guidance:
 - Auditor Manual
 - Buyer Member Manual
 - Supplier Member Manual
- Workplace Requirement Interpretation Guidance by Base Code Area

SMETA Workplace Requirements

The SMETA Workplace Requirements break down the ETI Base Code and Sedex additions into clear auditable requirements and require the auditor to input what evidence they have reviewed to confirm whether those requirements are met or not met. Workplace Requirements provides clear instruction on the items to be checked at audit, governed by the standard of the ETI Base Code, as well as local legislation; ensuring that sites comply with whichever provides the greater protection for workers.

ETI Base Code	Workplace Requirement ID	Workplace Requirement Description
0: Enabling accurate assessment	0.A	Allow the auditor to conduct and complete the audit without obstruction to all requested documents, interviewees and the facility itself (including outbuildings and accommodation). Provide the auditor with genuine and authentic records.
	0.B	Not offer bribes to or threaten the auditor, nor in any way induce the auditor to be dishonest.
	0.C	Provide an accurate site description and Sedex site profile declared prior to or during the audit.
	0.D	Maintain a written human rights policy statement that is approved at the most senior level, communicated to all personnel and relevant external parties, and trained to relevant personnel.
1: Employment is freely chosen	1.A	Not seek to profit from forced labour, human trafficking, debt bondage/ bonded labour or any other form of modern slavery.
	1.A.1	Collaborative Action Required: Where applicable, provide remediation and safeguarding of workers impacted by forced labour and verify and record actions taken.
	1.B	Not control workers through threats, penalties, coercion, physical force, violence, or harsh or inhumane treatment.
	1.C	Ensure that workers can freely leave the workplace and living accommodation (where provided), allowing for what is reasonable (e.g. for safety or security in hazardous worksites). Security guards or other authoritative figures should not restrict workers' freedom of movement beyond what is reasonable.
	1.D	Ensure that any surveillance (primarily human but also electronic, such as CCTV or facial recognition), if used, is not excessive or for the purpose of controlling or intimidating workers.
	1.E	Not unreasonably prevent workers from communicating with others inside or outside the workplace, deny workers social interaction or otherwise intentionally subject workers to isolation.
	1.F	Not retain workers' original passport, travel or identity documents or any other valuable item. In cases where workers fear the theft or loss of personal items (for example, at on-site or dormitory housing), provide a safe, documented, voluntary storage option, with unrestricted access for workers.
	1.G	Allow workers to resign at the end of their contract or at any time, without paying a fee, and receiving the full wages owed including any holiday

		pay/benefits, provided they give a period of notice in line with applicable law or not greater than one month, whichever period is shorter.
	1.H	Pay workers according to a regular pay schedule, in line with applicable law and not more than on a monthly basis.
	1.I	Not intentionally place workers in debt. For example, by undervaluing the work performed, inflating interest rates or charging workers above market rates (e.g. for food or housing). Any loans or advances must be minimal and to the worker's benefit, for repayment on mutually agreed and acceptable terms.
	1.J	Not charge or withhold part of a worker's salary as a deposit, or require workers to post bonds or repay government levies.
	1.K	Not withhold any payments until a worker's term of work is complete (forced savings), delay payments, or implement any other financial scheme that prevents workers from leaving their employment.
	1.L	Ensure that workers can achieve the legal minimum wage without breaching applicable laws or the terms of collective bargaining agreements on working hours, overtime and rest days.
	1.M	Carry out appropriate due diligence to minimise the risk of workers being placed in a situation of forced labour by third parties.
	1.N	Ensure any prison labour is voluntary and the site undertakes appropriate due diligence to ensure the workers meet the requirements of the ETI Base Code
	1.O	Comply with all other applicable laws that impose conditions on Code Area 1.
1.A: Responsible recruitment and entitlement to work	1.A.A	Review original photographic identification to validate that all workers (including non-directly hired workers) have the legal right to work, or require any agency or labour broker to do the same, and assess these systems rigorously via sampling on a regular basis (in accordance with SMETA guidance).
	1.A.B	Retain records necessary to demonstrate that all workers have the legal right to work.
	1.A.C	Ensure that the nature of work, working conditions, living conditions, employment terms, living costs, wages and benefits accurately reflect those communicated to workers during recruitment.
	1.A.D	Include appropriate requirements and protections for children and young workers within service agreements with employment agencies and recruitment partners.
	1.A.E	Have systems in place to verify that all workers are recruited legally and fairly, including conducting appropriate due diligence to verify that any third-party employment agencies or other recruitment brokers are following ethical practices.

	1.A.F	Ensure that payment to employment agencies and other recruitment partners is adequate to cover the costs to the agency of recruitment.
	1.A.G	Undertake due diligence to understand the type and value of recruitment fees and related costs of recruitment which workers have paid (legal or otherwise, as defined by the ILO and including travel and visa costs). Where international travel takes place, this must include both the departure and destination countries. This due diligence should include interviews or surveys of a sample of workers.
	1.A.H	Collaborative Action Required: Include provisions within service agreements that hold employment agencies and other recruitment partners contractually responsible to ensure no recruitment fees or related costs are incurred or charged to workers, and specifies the responsible party for reimbursing workers accordingly if they incur fees or costs.
	1.A.I	Collaborative Action Required: Verify that workers who are found to pay recruitment fees or related costs (legal or otherwise, as defined by the ILO and including travel and visa costs), are fully reimbursed in a timely manner.
	1.A.J	Comply with all other applicable laws that impose conditions on Code Area 1.A
2: Freedom of Association and Right to Collective Bargaining are respected	2.A	Ensure that all workers understand their legal rights in relation to trade unions, collective bargaining agreements and worker committees.
	2.B	Not prohibit, discourage or interfere with workers' rights to join a trade union of their own choosing or other form of worker representation, including worker committees or similar arrangements where the right to freedom of association is restricted under law. This should include the fair and free selection and election of representatives, and their rights to engage in collective bargaining.
	2.C	Have an established and regular method of communication with trade unions or other form of worker representation.
	2.D	Give appropriate time and space for worker representatives to operate. Ensure all workers are aware of who their representative is, their activities and how they can engage with them.
	2.E	Comply with all other applicable laws that impose conditions on Code Area 2.
3: Working conditions are safe and hygienic	3.A	Ensure a safe working environment. Put in place adequate controls to prevent accidents and injury (including long-term injury) to health arising out of, associated with, or occurring in the course of work.
	3.B	Conduct risk assessments regarding the potential hazards arising from work. The risk assessment shall be updated whenever processes change and reviewed at regular intervals.

3.C	Appoint a suitably qualified manager responsible for health and safety with the appropriate knowledge and authority to effectively implement health and safety systems and processes.
3.D	Form a health and safety committee (or include H&S in worker committees) which includes workers, and/or their representatives.
3.E	Provide and record health and safety training to all new workers, prior to exposure to risks. Provide continued training to existing workers, as appropriate for the hazards and levels of risk identified.
3.F	Have a system in place to measure the effectiveness of health and safety training carried out. Ensure training content is understood/implemented by workers.
3.G	Provide sufficient first-aid supplies onsite, and ensure that adequately trained personnel are available during all shifts.
3.H	Where identified as necessary to reduce residual risk, provide (without charge to workers) and ensure the use of appropriate personal protective equipment (PPE).
3.I	Record all accidents and near misses and ensure these are investigated. Ensure accident/incident log is routinely reviewed by appropriate personnel and appropriate corrective and preventative actions are taken.
3.J	Permit workers to stop working, seek safety or leave the premises, without the threat or fear of retaliation, when they believe hazards in the workplace have placed them in imminent danger.
3.K	Ensure that all premises are safe and have valid safety certifications for their current layout and use. If it is currently not possible for a required license or certificate to be obtained, implement inspections by appropriate third parties to ensure building safety.
3.L	Implement effective processes to manage fire safety including, but not limited to, accessible evacuation routes, a fire detection system, fire fighting/suppression equipment, training and regular drills covering all shifts and warning systems.
3.M	Ensure all machinery is installed, maintained, and used in a safe manner.
3.N	Ensure that all hazardous substances (e.g. chemicals and pesticides) are officially registered where possible, Material Safety Data Sheets are used, and they are managed appropriately at all times in line with registration and safety instructions, including storage, use and disposal.
3.O	Implement an appropriate electrical safety program to ensure that electrical hazards are reduced and controlled by appropriately qualified personnel.

	3.P	Develop emergency preparedness and response plans for risks identified (including natural disasters and other potential emergencies). Where worker evacuation is required, drills should be conducted at least annually (or more frequently if required by law).
	3.Q	Implement systems to ensure workers are safe from risks associated with extreme weather conditions, including heat stress.
	3.R	Provide clean and secure toilets, wash areas, and worker changing facilities, with adequate hygiene supplies separated by gender or with effective privacy. Ensure potable water is easily accessible by workers and, where appropriate, clean storage facilities for food and personal belongings.
	3.S	Ensure that any accommodation which the site provides poses no risk to worker health and safety, and is assessed to ensure it meets local housing and safety requirements by someone suitably qualified. This includes accommodation provided by a contracted third party or any labour agencies engaged by the site.
	3.T	Ensure that transport provisions, including those provided by a contracted third party, are safe and meet legal requirements.
	3.U	Ensure any additional relevant legal requirements concerning health & safety are met.
4: Child labour shall not be used	4.A	Ensure that no worker is under the age of 15 years' old or the local legal requirement if this is higher, except where ILO Convention No.138 developing country exceptions apply.
	4.B	Review original photographic identification to validate that all workers (including non-directly hired workers) are at least 15 years old at the time of employment, or require any agency or labour broker to do the same, and assess these systems rigorously via sampling on a regular basis.
	4.C	Ensure that workers under 18 (but above legal minimum age) only carry out age appropriate, non-hazardous work that is properly supervised. Ensure these workers do not work night shifts, and comply with other relevant laws on young workers' employment (e.g. obtaining permits or permission from parents, ensuring apprenticeships are properly registered and supervised).
	4.D	Ensure no worker under 18 is employed on a full-time basis if still of compulsory school age. Part-time work must not interfere with their education.
	4.E	Ensure any school-age children of workers living in accommodation provided by the employer have access to schooling that is within a reasonable travelling distance, using safe transport.

	4.F	Maintain a written policy and process outlining how child labour would be remediated (in line with ILO guidance and local legal requirements where in place)
	4.G	Collaborative Action Required: Where applicable, provide remediation and safeguarding of underage workers (in line with ILO guidance).
	4.H	Comply with all other applicable laws that impose conditions on Code Area 4.
5: Legal wages are paid	5.A	Ensure that all workers (including non-employee workers) are paid at least the legal minimum wage or legally recognised collective bargaining agreement (CBA) where one exists, whichever is higher.
	5.B	Ensure that workers receive the insurances and benefits (including leave entitlements) they are legally or contractually entitled to.
	5.C	Ensure that any partial payments with in-kind benefits do not exceed the national legal limit or the ILO recommended maximum of 50% of wages, whichever is lower. Other wages are paid in legal tender and/or into a bank account in the workers' name.
	5.D	Ensure no deduction from workers pay is for disciplinary sanctions. Ensure deductions not provided for by national laws are legal, and do not take workers below the legal minimum wage. Ensure workers are provided with information to understand any wage deductions and provide their authorisation.
	5.E	Ensure workers are remunerated for all time worked, including meetings and essential training. Meetings and essential training shall take place at no cost to the worker and during remunerated working hours.
	5.F	Provide all workers with clearly written information, in a language workers understand, outlining wage information (rates of and total pay, overtime, payment frequency, deductions, benefits and insurances, and paid leave) before employment begins, and with clearly written information relating to any changes of the same during the course of employment.
	5.G	Maintain records to demonstrate that workers receive a wage statement, or payslip each pay period with a clear and understandable breakdown of their wages, benefits and any deductions.
	5.H	Comply with all other applicable laws that impose conditions on Code Area 5.
5.A: Living wages are paid	5.A.A	Collaborative Action Required: Review workers' total pay including benefits and compare it with a credible 'living wage' to calculate a 'living wage gap' and understand what proportion of the workforce has a gap.
	5.A.B	Collaborative Action Required: Put in place a wage improvement plan that aims to pay workers a living wage within a stated timeframe.

6: Working hours are not excessive	6.A	Ensure working hours (including overtime) are accurately recorded, and do not exceed legal limits or limits in collective bargaining agreements, whichever gives more protection for workers.
	6.B	Ensure workers receive all legally required rest and meal breaks, including continuous rest hours between shifts.
	6.C	Provide workers with at least 24 hours of consecutive rest in every 7-day period or, where allowed by national law, two 24 hour periods in every 14-days.
	6.D	Ensure that working hours do not exceed 60 hours in a standard working week for any worker, except where all of the following are met: this is allowed by national law; this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce; appropriate safeguards are taken to protect the workers' health and safety; and the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.
	6.E	Ensure the standard working week excluding overtime is not more than 48 hours per week and is included in workers' contracts.
	6.F	Ensure that where overtime is used, it is in order to manage changes in demand or in exceptional circumstances and not used to replace regular employment.
	6.G	Ensure that overtime is voluntary and can be refused without penalty.
	6.H	Ensure that overtime is always compensated at a premium rate, which is not less than 125% of the regular rate of pay.
	6.I	Undertake a review of appropriate frequency of the working hours of individual workers and the workforce as a whole and use this review to responsibly manage overtime.
	6.J	Comply with all other applicable laws that impose conditions on Code Area 6.
7: No discrimination is practiced	7.A	Ensure no discrimination is practiced, taking particular consideration of race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.
	7.B	Ensure that employment policies and processes are sufficient to prevent discrimination at all stages of employment. This includes hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.
	7.C	Not require or allow health checks for workers to take place during the recruitment process or during employment where the results are used to unfairly avoid hiring or retaining workers with certain health issues or medical

		conditions. This includes pregnancy (unless explicitly required by law) or HIV/AIDS.
	7.D	Ensure that grievance mechanisms are accessible to all workers, regardless of race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership and political affiliation.
	7.E	Collaborative Action Required: Have a dedicated equity approach in recruitment, training, development and promotion processes.
	7.F	Comply with all other applicable laws that impose conditions on Code Area 7.
8: Regular employment is provided	8.A	Provide a written contract or other binding agreement that specifies the terms and conditions of employment, that meet all legal requirements, in a language workers can understand.
	8.B	Meet its contractual and legal obligations in cases of dismissal, termination or redundancy.
	8.C	Use an employment or engagement model appropriate to and intended for the nature of work undertaken in the local context.
	8.D	Not utilise apprenticeships, temporary, irregular, sub-contracted or non-employment models of labour for the purpose of avoiding its obligations relating to regular employment, regardless of legality.
	8.E	Meet legal conditions for the use of apprenticeships, temporary, irregular, sub-contracted or non-employment models of labour.
	8.F	Not unfairly restrict those working under apprenticeships, temporary, irregular, sub-contracted or non-employment models of labour from seeking regular employment.
	8.G	Demonstrate real intent to impart skills and/or provide regular employment once the apprenticeship term is completed, where apprenticeship schemes are used.
	8.H	Comply with all other applicable laws that impose conditions on Code Area 8.
8.A: Sub-contracting and homeworkers	8.A.A	Ensure all homeworking and sub-contracted work is authorised by the relevant clients receiving the products.
	8.A.B	Maintain up-to-date records relating to sub-contracted work and have systems in place to assess working conditions at sub-contracted sites.
	8.A.C	Have systems in place to ensure working conditions of home workers meet ETI Base Code. Where directly employed, ensure no differentiation from other direct workers. Where indirectly employed, this must include sampling of documents relating to specific workers' contracts, pay and legal right to work. Records of these checks must be available to audit and conducted on an ongoing basis. It must also include visits to the place of work.

	8.A.D	Comply with all other applicable laws that impose conditions on Code Area 8.A.
9: Harsh or Inhumane Treatment	9.A	Not engage in or facilitate harsh or inhumane treatment of workers, including gender-based violence and harassment.
	9.B	Implement, adopt and communicate to all workers a workplace policy prohibiting harsh or inhumane treatment, including gender-based violence and harassment.
	9.C	Implement, adopt and communicate to all workers a disciplinary policy, and procedures that are fair and appropriate. Keep records of disciplinary processes undertaken.
	9.D	Implement measures to prevent and control risks of harsh or inhumane treatment, including gender-based violence and harassment, based on an identification of hazards and risks, including in accommodation and worker transport where provided by the employer.
	9.E	Ensure appropriate training for workers at all levels in roles where risk has been identified and those with relevant supervisory or administrative responsibilities, to prevent harsh or inhumane treatment in the workplace. Have systems in place to monitor the understanding/implementation of the training.
	9.F	Ensure all workers (taking particular consideration of vulnerable worker groups) have accessible information and training on the measures taken to prevent and control harsh or inhumane treatment, the identified risks and their rights and responsibilities.
	9.G	Not conduct bodily searches. Any non-bodily searches shall be conducted only where there is a legitimate business reason (e.g. theft). Where non-bodily searches are conducted the search must respect workers' privacy, be conducted by a member of the same sex and meet legal requirements.
	9.H	Implement a formal process for workers to be able report grievances (concerns, complaints, or problems) without fear of retaliation. The grievance mechanism should be legitimate, accessible, predictable, equitable, transparent, rights-compatible, continuously improving and based on engagement and dialogue.
	9.I	Comply with all other applicable laws that impose conditions on Code Area 9.
10.A: Environment 2-Pillar	10.A.A	Remain aware of the local, regional and national environmental laws relating to the site, and have clear processes around how these laws are updated and communicated.
	10.A.B	Comply with relevant local, regional and national laws or regulations, and have the correct documentation or permits, including for resource use (e.g. water, energy, material) and waste disposal.

10.B: Environment 4-Pillar	10.A.C	Have a system in place for identifying and remediating gaps between their clients' environmental standards and the environmental impact of their own operations.
	10.A.D	Maintain a list of hazardous substances (e.g. chemicals and pesticides) used in manufacturing or in purchased components. Ensure they are compliant with their clients' requirements and relevant legislation in the destination countries for those substances.
	10.B.E	Identify and monitor potential negative environment impacts of operations and supply chain and have in place systems that prevent, mitigate or remedy the impacts of their own operations.
	10.B.F	Have and communicate policies and processes, endorsed at the highest level, that includes commitments to improve environmental performance and an approach to managing environmental impacts on relevant stakeholders.
	10.B.G	Establish resource-use targets and a plan to reach them.
	10.B.H	Record energy use, water use, solid waste, material use, hazardous substance use and waste, and effluent discharge.
	10.B.I	Monitor and mitigate the site's impacts on biodiversity.
	10.C.A	Demonstrate understanding of current and relevant legislation relating to bribery, corruption, unethical, or any type of fraudulent or unethical business practices.
	10.C.B	Assess risks of bribery, corruption or any fraudulent or unethical business practices and implement measures to mitigate these.
10.C: Business Ethics	10.C.C	Demonstrate awareness of, and compliance with, any fiscal legislative requirements, where required. This may include 3rd party financial audits.
	10.C.D	Have and communicate a business ethics policy covering bribery, corruption, or any type of fraudulent or unethical business practice to all parties it deems as high risk, including the site's own suppliers.
	10.C.E	Provide appropriate business ethics training to workers at all levels in roles which have greater exposure to risks of bribery, corruption, fraudulent or unethical business practices, such as sales, purchasing, logistics.
	10.C.F	Develop and implement a transparent and accessible mechanism that effectively allows confidential and anonymous reporting, monitoring and investigation of any fraudulent or unethical business practices without fear of reprisals towards the reporter.
	10.C.G	Obtain and store personal data with the appropriate consents and controls, complying with any legislative requirements.

	10.C.H	Implement appropriate and effective corrective actions where they have been subject to any fines/prosecutions for non-compliance to business ethics, regulations or equivalent.
	10.C.I	Can demonstrate, where appropriate, that licences and permissions are held relating to ownership and/or leasing of the land where the site operates.