

SEDEX STAKEHOLDER FORUM (SSF) TERMS OF REFERENCE

Context and introduction

The Sedex Stakeholder Forum (SSF) exists to enable Sedex to evolve existing products and services and develop new ones with the support of its members and other stakeholders, to thereby help members in going beyond audit, to implement a “Continuous Assessment & Improvement Cycle” in their responsible sourcing programmes. This reflects the need to manage a greater range of sourcing issues, for a longer-term and more inclusive approach.

The Sedex SSF is a successful group that enables brands, suppliers, auditors, and other stakeholders to work together to address the root causes of responsible sourcing and inherent industry-wide challenges. It has a proven track record of delivering, through ‘listening to member’s voices’ that Sedex want to evolve further, whilst driving simplification and convergence.

Structure and ‘Ways of Working’ of the SSF

In order to ensure the SSF is more global in nature, engaging a wider range of stakeholders, especially supplier members and driving products and services development, an updated ‘Ways of Working’ is set out below.

1.1 The purpose of the SSF:

Is to collaboratively shape ‘fit for purpose’ responsible sourcing management tools and methodologies, for all users and impacted people - members & non-members, workers and their communities, to improve business performance and workers’ lives.

The SSF members will provide advice, guidance, and direction through consultation, to Sedex staff, enabling them to develop new and existing products and services, in the most effective manner.

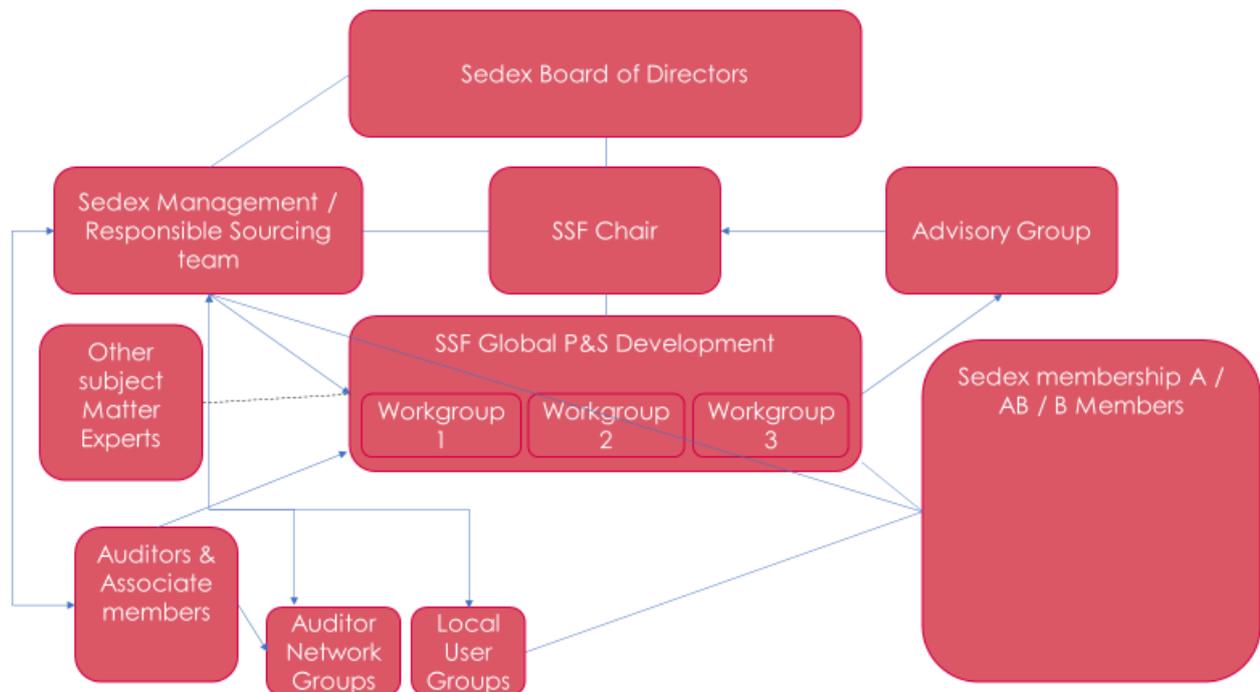
SEDEX STAKEHOLDER FORUM (SSF) – TERMS OF REFERENCE

1.2 The key objectives and operating principles of the SSF

- **Driving industry convergence, simplification, and consistency** in responsible sourcing programmes globally – e.g. across sectors, site types (farms manufacturing etc.) and standards
- **Developing tools** to assist anyone improve their responsible sourcing programmes – e.g. SMETA Corrective action guidance, giving suppliers tangible actions to address common non-compliances.
- **Leverage technology**, to simplify data collection, management, and reporting
- **To improve business performance and impact on workers' lives** and creating measurement for this.

1.3 Structure and management of the SSF

The organisational structure for the operation of the SSF is set out below:



For clarity - decision making authority rests with Sedex staff who are accountable for the execution of the deliverables.

SEDEX STAKEHOLDER FORUM (SSF) – TERMS OF REFERENCE

1.4 SSF Chair

The Chairperson is a Sedex Board Member and represents the SSF and their work at board meetings, whilst simultaneously representing the Sedex board in SSF meetings. The Chair is responsible, together with the Sedex Director of Marketing & Responsible Sourcing, for setting the scope/direction of the working groups. The SSF Chairperson leads the Advisory Group.

1.5 Advisory Group

The SSF Advisory Group exists to provide a broader and more strategic perspective to Sedex for the development of its' products and services, with members being approached to participate because of their proven experience and track record in this field.

The Advisory Group is comprised of at least the following core roles:

- SSF Chair – Sedex Board member
- Sedex Director of Marketing & Responsible Sourcing
- Selected representatives from SSF workgroups, covering at least one Buyer (A) or Buyer/Supplier (AB) member, one Supplier (B) member and one auditing company.
- A non-member who is a large SMETA user
- An NGO representative
- A representative from academia

Optional or as required:

- Other Sedex staff
- Non-member experts/advisors.

The Chair, together with the Sedex Director of Marketing & Responsible Sourcing will work together with working group leaders, to share an overview of strategic discussions and implement the strategic direction recommended into tangible work streams.

1.6 SSF membership criteria and workgroup participation

Membership of the SSF is open for all Sedex members, audit companies and any other SMETA users (companies which undergo or use SMETA audits or other Sedex tools).

However, Sedex reserves the right to cap/limit the number of members of the SSF, based on proportional representation of relevant constituents (Buyer (A), Buyer/Supplier (AB), Supplier (B) members and audit companies) and the available capacity within working groups and meeting venues.

SEDEX STAKEHOLDER FORUM (SSF) – TERMS OF REFERENCE

The **three** types of SSF members:

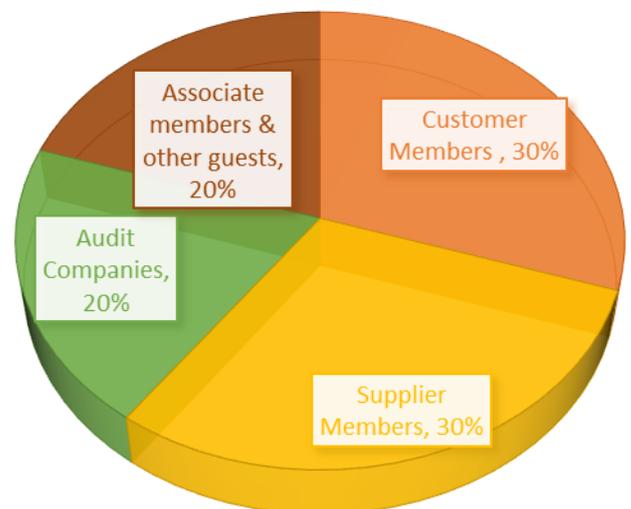
- Sedex members - Buyer (A), Buyer/Supplier (AB) and Supplier (B), plus any other category of membership Sedex may introduce
- Sedex Affiliate Auditor Company (AAC)
- Associates – non-Sedex members, subject matter experts, academics, trade associations or any other parties interested in progressing the objectives of the SSF.

Note: Consultancy companies, other similar service providers and subject matter experts will be invited to provide specific subject matter expertise and input to workstreams as needed but are not eligible to be full participative members.

The full rules, application process and criteria for membership are set out in Appendix 1.

Please note, Sedex reserves the right to cap/limit the number of applicants for the SSF, based on proportional representation of relevant constituents (Buyer (A), Buyer/Supplier (AB), Supplier (B) members and audit companies) and the available capacity within working groups and meeting venues.

Any member of the SSF is expected to be an active participant of a working group. They may select the working group which they are most interested in, however it may be necessary to re-arrange group numbers to ensure each group has sufficient members.



1.7 Global SSF Meetings

There will be face-to-face meetings twice a year for the global SSF.

These meetings will aim to:

- Obtain input on proposals for the development of existing products and services, together with the creation of new ones
 - As part of this there will be updates from the working groups
- Communicate about Sedex Product Updates and launches, including an opportunity for the SSF members to engage with the Sedex team
- Ensure input from all members globally, the meetings may be held in a variety of global locations and be combined with local user group meetings

SEDEX STAKEHOLDER FORUM (SSF) – TERMS OF REFERENCE

1.8 Project Work Groups

The SSF will undertake project work guided by member feedback on the priorities for Sedex to develop products and services, ensuring coverage of all elements of the cycle over time. The SSF groups' aim is to understand and discuss responsible sourcing topics from a wide number of perspectives. The groups will use this knowledge to identify, develop and create tools for responsible sourcing programmes with the help of the Sedex management team.

Any group is only as effective as the participation of its members. Therefore, the following voluntary rules are essential to ensure ownership and participation:

- Participants are encouraged to share their experiences; however, they will be expected to supply a positive suggestion to work towards a solution, and to work together with the group to achieve this.
- Sedex will support the workgroup leaders in their endeavours in the coordination and project management of the workgroup activities.

Project working group leaders

Project Working groups will be co-led by Sedex and a SSF member in order to support and project manage the group's outputs. SSF project working group co-leaders are SSF participants who are prepared to lead a specific content (rather than geographical) group and enable working group members to work together to produce a recommendation or solution to a challenge raised by Sedex or the membership. A project working group co-leader can be either a Sedex member or a non-Sedex member, but they must be a member of the SSF. Sedex will set topics to enable and empower working group leaders to find robust solutions to the challenges.

It is useful if the working group co-leader oversees a topic where they have knowledge and some personal interest, as they will drive the work of the group.

Outputs & review process

All outputs should be agreed by the majority of the project working group. The work products will then be integrated into the Sedex offering and system by the Sedex team. The outputs will also be shared with the broader SSF members at the biannual meeting and any regional events.

1.9 Sedex's role

Sedex's role is to support the project working group co-leaders to project manage the group. This is not to 'select topics' but rather to enable and empower the workgroup leaders in finding robust solutions to the group's challenges. This will include the following:

- Assisting setting up regular workgroup calls

SEDEX STAKEHOLDER FORUM (SSF) – TERMS OF REFERENCE

- Supporting the workgroup leaders with any actions that require a neutral body (e.g. gathering and anonymising feedback from the group)
- Supporting the workgroup leader in direction (this should be support only)
- Ensuring there are approximately even number of participants and membership type on each working group. Each working group should have a minimum of three participants.
- Ensuring minutes are produced by each work group.

1.10 Local User Groups

The Local User groups will be managed by regional/country Sedex staff as part of normal member engagement activities in that region/country, pulling together meetings as needed. The local user groups will report into the Sedex management team, and where appropriate may report back to the global SSF. This is to ensure that the global SSF process, focusses on the development of global products and services, as opposed to more local issues, which whilst important locally, are best managed through these local user groups.

SEDEX STAKEHOLDER FORUM (SSF) – TERMS OF REFERENCE

Appendix 1: SSF Membership criteria, rules, application process and fees

The SSF is a group that aims to collaboratively shape responsible sourcing, content and methodologies to be 'fit for purpose' for members and non-members, workers and their communities, helping to improve business performance and workers' lives. To become an active participant in the SSF, please submit a SSF application form to SSF@sedexglobal.com. Applicants must meet the application criteria, Affiliate Audit Companies and non-Sedex members are subject to an application administration fee.

Please note: this does not incur any additional system functionality. SSF membership allows you to actively participate in creating common responsible sourcing tools.

For Sedex members

Sedex Buyer (A), Buyer/Supplier (AB) and Supplier (B) members interested in being part of this group must have active social auditing programmes in place within their companies, and the individual who will participate must be directly involved in this programme.

Interested members must:

- Fill out a registration form for GDPR purposes (the Sedex membership fee covers SSF membership)
- Nominate one representative per company to be their company representative
- Be prepared to attend both biannual meetings each year either in person or via an agreed substitute
- Be actively involved in at least one work-stream.

For Audit Company members (AAC)

Any auditor that wishes to be a SSF member needs to demonstrate that social auditing forms a major part of their activities and are consistent with the below requirements:

1. Do not misrepresent the role of Sedex in the auditing process
2. Follow the branding rules of Sedex and SMETA
3. Ensure at least one auditor has completed the SMETA foundation training programme
4. Ensure no 'conflict of interest'.

All applicants must:

- Fill out an application form
- Hold an active Affiliate Audit Company account with Sedex, that is more than one year old
- Demonstrate a commitment (in mission statement) to best practice in social auditing
- Confirm that social auditing is a minimum of 10% of total business turnover (revenue) of the organisation

SEDEX STAKEHOLDER FORUM (SSF) – TERMS OF REFERENCE

- Have uploaded a minimum of 100 audits onto the Sedex System (not necessarily SMETA)
- Have an office in more than one country
- Submit details of their auditor training programme
- Employ auditors who meet SMETA auditor requirements:
 - 50 auditor-days in social auditing per year per lead auditor member of staff
 - Have at least some fully employed auditors – not all auditors on file should be sub-contractors
- Provide two referrals from existing Sedex member social auditing clients from the Sedex Buyer/Supplier (A/AB) membership with at least one referral from an existing Buyer (A) member
- Commit to pay the annual fee, based on turnover (see below)
- Commit to adhere to the SSF rules
- Demonstrate an active process for ensuring integrity of the audit process. e.g. having and implementing a 'Code of Integrity and Professional Conduct' or equivalent.
- Be an active APSCA member.

Benefits for auditors

Joining the SSF will give auditors the following benefits:

- Receive invitations to participate in the Sedex Stakeholder Forum and its active working groups
- Receive invitations to participate in other Sedex working groups (e.g. Product Development)
- Receive invitations to participate in local/regional events
- Eligibility to participate in Sedex/SMETA global licensed training programme

Please note, applications may take up to three months to process (subject to SSF availability) and as such a non-refundable admin fee of £250.00 will be payable at point of application.

Sedex and the SSF do not currently approve, recommend, or certify auditors. NB. It is not a mandatory requirement to be part of the Affiliate Audit Company group to perform or upload a SMETA audit onto Sedex.

For non-Sedex members

Any company that nominates themselves for membership as an associate member of the SSF needs to be able to demonstrate that their activities are consistent and aligned with those of the SSF. This category will be capped at 20% of total SSF membership initially, on a 'first-come, first-served' basis, due to the constraints on numbers at the SSF and the Annual Conference.

All applicants must:

SEDEX STAKEHOLDER FORUM (SSF) – TERMS OF REFERENCE

- Have a demonstrated commitment (in policy statement) to best practice in responsible sourcing
- Demonstrate experience using SMETA and / or other Sedex products & services
- Nominate one representative per company to be their nominee
- Fill out an application form, which will need to be approved by Sedex
- Commit to pay the annual fee to participate (see below)
- Submit a reference from a Sedex member

Fees for non-Sedex members

The fees for membership will relate to organisation type. The categories for annual fees are:

Turnover	For Profit	Not-for-Profit
Group turnover more than £250 million	£3000	£2000
£10 million to £250 million	£900	£600
£5million to £10 million	£300	£200
Less than £5 million	£150	£100

Please note: For NGOs, this will be income rather than turnover. Any member that leaves or decides to resign from the SSF will receive no financial rebate for the already started financial year.

Sedex reserves the right to cap/limit the numbers of applicants to the SSF based on proportional representation of relevant constituents (A, AB, B Members, and audit companies) and the available capacity within working groups and meeting venues.