 **Sedex²**
Virtual Assessment

An overview of our new assessment tool

Introduction

The Sedex Virtual Assessment is a due diligence tool where an auditor assesses the performance of a site remotely through the use of technology and video conferencing.

Sedex is launching this new tool in the context of the COVID-19 pandemic which has led to delays in audits, restrictions on movement of people, and health concerns with in-person and on-site auditing of facilities. In response to this, Sedex has sought to develop an assessment product which responds to these challenges, but which will continue to provide value in a post-COVID world too. The tool has been developed in consultation with several members, Affiliate Audit Companies (AACs) and key stakeholders.

Some key characteristics:

- ✓ Based on the SMETA audit methodology
- ✓ Core clauses maintained
- ✓ Can be undertaken in 2 or 4-pillar format
- ✓ Can be used for an initial, periodic, partial or full-follow up audit

In terms of scope, we have sought to maintain the core functionality of the SMETA audit. However, to ensure the Virtual Assessment is deliverable online, some elements of SMETA have been removed.

SMETA Clauses	
Retained in Virtual Assessment	Removed from Virtual Assessment
<ul style="list-style-type: none"> • UNGPs • Management system & code implementation • ETI Base Code clauses • Entitlement to work • Environment 2/4 pillar • Business Ethics 4 pillar 	<ul style="list-style-type: none"> • Land Rights • Anything requiring sensory evidence • Undeclared Subcontracting & homeworking • Community Benefits

We are taking a soft-launch approach in acknowledgement that this is an innovative new method for use in a social auditing context, and we will be refining the product as we learn from its implementation. We will be publishing findings from the soft-launch review process regularly.

The Sedex Virtual Assessment will be conducted by vetted and approved Affiliate Audit Companies.

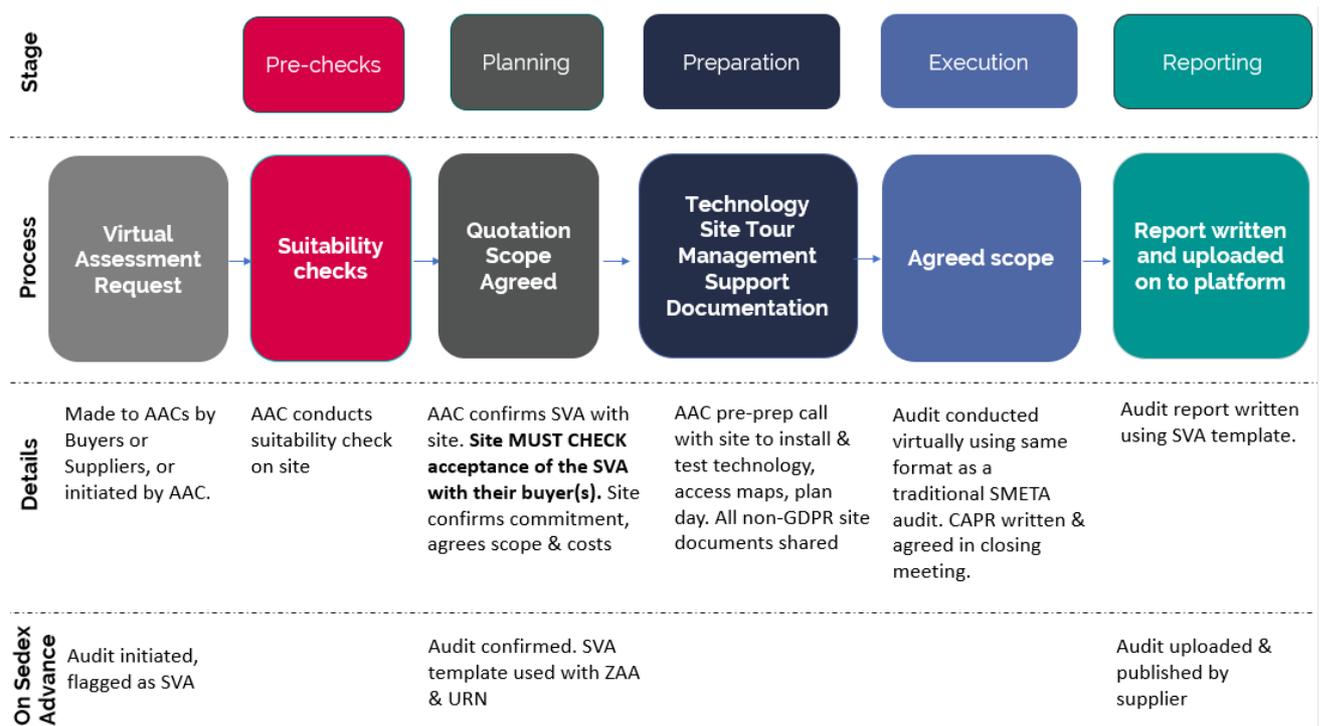
Sedex Virtual Assessment is not automatically available to all Affiliate Audit Companies (AACs) that are recognised by Sedex to conduct SMETA audits. Our

existing AACs will need to go through a second stage of vetting to be recognised to conduct these assessments.

For information on which Affiliate Audit Companies have been approved to date please see: <https://www.sedex.com/our-services/sedex-virtual-assessment/> . Enquiries about vetting of AACs can be made to Fiorela Topciu on fiorela.topciu@sedex.com.

The Virtual Assessment process

A Sedex Virtual Assessment is always 'announced' due to the need for pre-checks and more extensive planning. In addition, the preparation stage is larger given the need for technology checks, and some of the document review happening in advance of the audit. This provides the added benefit of auditors beginning the execution phase with more understanding of the site than would normally be the case.



The Sedex Virtual Assessment technical requirements set out this process in detail and is used by AACs to guide their practice. A copy of the technical requirements will be available through Sedex eLearning.

Assessing whether a site is suitable for a Sedex Virtual Assessment

Sedex Virtual Assessments are not appropriate to be conducted at all sites. Once an assessment has been requested, the approved Affiliate Audit Company will need to determine if this site meets the established criteria and is suitable to proceed.

The Site Suitability Checks fall into three categories; **Essential Parameters**, **Direct Worker Engagement Capabilities** and **Conditional Considerations**.

For a Sedex Virtual Assessment to proceed, the site must be able to meet **all** of the requirements set out in the **Essential Parameters** section (as detailed below).

Technologies

To be eligible to undergo a Sedex Virtual Assessment the assessed site must have:

- Stable and reliable Wi-Fi network and mobile network with secondary options should either of these fail
- For the site tour: a smartphone or tablet with a working camera and microphone which is connected to a mobile network at a minimum, with high enough resolution to allow for clear visibility of small details (minimum 8 megapixel rear camera)
- The software downloaded that will be used to conduct the assessment which can be installed on all equipment used during the assessment (smartphone/tablet/laptop/desktop).

The site must also confirm that:

- They agree to the live sharing of GPS coordinates of the site on the day of the assessment via the method agreed with the Affiliate Audit Company

Site Commitment

The assessed site will need to provide the Affiliate Audit Company with:

- Formal acceptance of the full assessment process
- Commitment to supply requested documentation for preparation ahead of the assessment date
- A detailed site map which covers all areas of the site as dictated by the business license including any external areas i.e. onsite parking, dormitories etc

Site History

If the AAC is aware of the below from any part of their business, a Sedex Virtual Assessment will not be able to take place:

- Any known issue with site transparency, coaching or bribery

Operational Aspects

The site must confirm the below for a Sedex Virtual Assessment to be able to take place:

- All areas of the site must be able to be visited, unless it is forbidden for mobile phones to enter parts of the site due to combustion issues or for sensitive commercial reasons.
- There is internet connectivity across all areas of the site.
- The site is running at sufficient capacity for the auditor to be able to gain a full picture of the site and the diversity of its workforce on the day.

In addition to the above criteria, AACs may wish to define further requirements to decide if a Sedex Virtual Assessment is appropriate; however, this would be in addition to the above and be at the AAC's discretion.

The Sedex Virtual Assessment must have a form of direct worker engagement - either through group worker interviews or Direct Worker Reporting. Therefore, once the Essential Parameters have been reviewed, the assessment team will need to determine the site's **Direct Worker Engagement Compatibility** to understand whether group worker interviews can be included as a part of the assessment or if Direct Worker Reporting will need to be used to gain direct worker insights. If the site is unable to have group interviews included within the assessment process, and do not accept Direct Worker Reporting, the AAC will not be able to progress the assessment request.

The **Conditional Considerations** form a final layer of review for the Affiliate Audit Companies. The information gathered here (such as open non-compliances, workforce demographics, site layout) can be used by the auditor to inform how the assessment is done on the day.

Integration with Direct Worker Reporting:

In circumstances where group worker interviews cannot be included within the assessment (or when a site/buying organization would like to gain further insight into worker experiences) then Direct Worker Reporting or Worker Voice tools must be used to support the assessment.

What is Direct Worker Reporting? The primary function of Direct Worker Reporting is to provide a listening and feedback channel between suppliers and workers. It offers anonymous insight from workers to their management about working conditions and wellbeing. In the context of a Sedex Virtual Assessment, the assessment takes place between two Direct Worker Reporting call cycles and the auditor has access to the results. These can be used to contextualise a virtual assessment and introduce discussion points between auditor and supplier.

Sedex recommends that this is conducted through our partnership with &Wider and their tool Engage, which is integrated with the Sedex Advance platform. However, AAC's own proprietary tools or 3rd party Worker Voice service providers may be used. Sedex has stipulated a set of standards which proprietary/3rd party tools must meet in order to provide a consistent quality of Virtual Assessment. If you would like to discuss this further, please do so with your chosen Virtual Assessment audit provider. If you would like to know more about &Wider's Engage tool, please contact your Account Manager or &Wider directly (info@andwider.com).

Reporting on Sedex Advance:

- Treated like a SMETA audit in reporting (i.e. counts as last completed audit) but flagged as a Sedex Virtual Assessment.
- Audit report is published and available in the same way a SMETA audit is, using a unique template
- NCs can be carried forward into this audit if there is consistency in the audit company used.

Sedex Fees:

Sedex will apply a fee of £30.00 for a member and £100.00 for a non-member for the Sedex Virtual Assessment and these fees are charged directly to our AAC partners. In support of rolling out this new tool, these prices are for a limited time only and are subject to review and change. Please refer to our website for details.

For information on the fees applied by the Affiliate Audit Company, please contact them directly.

Further Resources:

<https://www.sedex.com/our-services/sedex-virtual-assessment/>

Sedex eLearning: Training and Resources >> SMETA >> Sedex Virtual Assessment

Please contact your Account Manager if you would like to discuss this further.

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