



What's new in SMETA 6.0?

A summary guide to the differences between SMETA 5.0 and 6.0

Introduction

This document provides information about SMETA and in particular SMETA 6.0, the updated version published in April 2017 and taking effect from 1 June 2017. The SMETA guidance documents can take time to read and understand. To help with the implementation of SMETA 6.0, we have outlined the main differences between SMETA 5.0 and the new SMETA 6.0. The updates in SMETA 6.0 are based on user feedback, and reflect the changing international landscape for businesses. Some sections have been added, others strengthened, and the report has been streamlined.

Overview of changes

The United Nations Guiding Principles (UNGP) for Business and Human Rights

This is a global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activity, and there is an expectation that businesses will identify how their activities impact on the human rights of people and communities within their sphere of operation. As a result SMETA 6.0 includes an investigation into how Universal Rights are protected within global supply chains. Information on UNGP see <https://business-humanrights.org/en/un-guiding-principles>

Modern Slavery

This is a global issue and legislation like the UK Modern Slavery Act 2015 means that many companies now have a legal requirement to disclose what action they have taken to ensure there is no modern slavery in their business or supply chains. Audit procedures need to support these annual published statements and these additions have been included in SMETA 6.0.

More information on modern slavery at <https://www.gov.uk/government/collections/modern-slavery-bill> and for U.S: <https://www.state.gov/j/tip/what>

Business Ethics

A four pillar SMETA audit contains the topic of Business Ethics and to date SMETA has recommended that any findings should be recorded as observations rather non-compliances whilst establishing an understanding of unethical Business Practice. As a result of experience gained it is now possible to record non-compliances in this section of SMETA 6.0.

Company Codes

As a widely used methodology SMETA must reflect the needs of all its users and 6.0 now allows for reporting against a company's own code as well as the established international standard of the Ethical Trading Initiative Base Code.

Simplified SMETA 6.0

Version 6.0. has utilised feedback from practitioners to streamline reporting in some areas. In addition to encourage more positive reporting SMETA 6.0 gives more guidance on good examples.

Summary table

Change	Benefit
o.A. Universal Rights	Assists a supply chain to understand its impacts under UNGP
8. [Sub section] Responsible Recruitment	Supports due diligence processes for Modern Slavery prevention
Inclusion of Company Code	Gives flexibility to include other criteria
Simplification of SMETA	More time for other impact indicators Encourages reporting of important good examples

Specific changes detailed

o.A.Universal Rights Section covering UNGP

This is a new section in the report (page 16) and it focusses on assessing how a site understands and manages their impacts as defined in the UNGP. In the SMETA 6.0. Measurement Criteria, guidance is given on what should be investigated and discussed during the audit.

Note: findings in this section should be reported as 'observations' until experience gained allows a definition of non-compliances.

8. Sub section Responsible Recruitment

Modern Slavery is a serious crime and criminal liability cases are increasingly being brought against companies on behalf of victims. Evidence shows this issue is often hidden in the lower levels of a supply chain, especially where labour recruitment does not follow established practices. Responsible Recruitment is a new section in the SMETA report (page 47) under Regular Employment, and the questions asked, which are detailed in SMETA 6.0. Measurement Criteria (page 62) seek to fully understand how labour is obtained. This will support a company in establishing robust due diligence processes related to Modern Slavery legal requirements.

Improved Business Ethics Reporting

In SMETA 6.0 it is now possible to record a non-compliance (SMETA 6.0 report page 67) where fraudulent or unethical business practices are taking place and the issue does not obviously fit into any other code clause. Items which may appear here include illegal operations or documentation or any fraudulent activity, including bribery within the audit process. Lack of policies or appropriate training will also be noted (see Measurement Criteria page 79 for criteria checked).

Company Codes

Following Sedex members' successful use of SMETA which included a company code addition, SMETA 6.0 now makes this publicly available. This offers a supply chain the flexibility to include company code criteria which may not be included in the current governing standards of the ETI code. Appropriate completion of the audit documentation will allow the reader to utilise other standards, if required.

Simplification of SMETA 6.0

From user feedback, detailed reporting of wages and hours at an individual level takes a disproportionate amount of the audit time. The new SMETA 6.0 has simplified this section allowing more time for other indicators to be investigated (see report pages 36 and 40 for detail). To encourage reporting of good examples the SMETA 6.0 Measurement Criteria has been expanded in each clause to give examples of typical good practices. (<https://www.sedexglobal.com/products-services/smeta-audit>)

Frequently asked questions

Q.1. It seems there are an increased number of requirements; will this affect the number of auditor days required for a SMETA audit?

A.1. The new SMETA version 6.0 has been piloted by members, and with the streamlining of the report as detailed above the consensus was that no extra auditor days were required, as long as sites are prepared with the relevant additional information. The auditor should send sites an information pack detailing what is to be prepared at least 2 weeks before the audit.

Q.2. How can companies prepare for a SMETA audit?

A.2. Companies can prepare by reading the SMETA 6.0 documents. All audit documents are publicly available at www.sedexglobal.com

A full suite of documents will include:

- **SMETA 6.0 Best Practice Guidance (BPG):** Details audit procedure.
- **SMETA 6.0 Measurement Criteria:** Details what will be examined at the audit.
- **SMETA 6.0 Report:** A template where all findings will be recorded.
- **SMETA 6.0 CAPR (Corrective action plan):** Records a summary of the audit findings and corrective actions discussed.

Any site or interested party can use the above to conduct their own internal audit in preparation for an external auditor visit. The SMETA BPG states that completing an internal audit and correcting items ahead of the external audit visit will greatly reduce the need for a follow up audit.

Q.3. How can I learn more about SMETA 6.0?

A.3. Sedex are delivering live webinars, which outline the development of 6.0 and the main improvements, which can be accessed through the website. The webinars last 30 minutes and are also available as recorded webinars.

Q.4. When will SMETA 6.0 be launched?

A.4. From 1st June 2017, all SMETA full scope audits will be conducted against 6.0.

Q.5. What happens with follow up audits when the original audit was conducted against 5.0?

A.5. It will be possible to conduct partial follow-up audits against 5.0 for up to 1 year, until 1st June 2018.

Q.6. Some of my customers require a semi announced audit, if this is across the 1st June 2017, how will I know whether it will be conducted against 5.0 or 6.0?

A.6. Since the implementation date is June 1st 2017, it is recommended that the window given for semi announced audits is set either prior to or after 1st June 2017, thus avoiding any possibility of 'bridging' the implementation date.

Q.7. Will SMETA 6.0 be available in languages other than English?

A.7. All documents used on a SMETA audit will be available in English, Spanish and Mandarin. Where reports and CAPR's are needed in a language other than English, please note these should be dual language, and must include English.



To download SMETA 6.0, or for more general information about SMETA, please visit:
Sedexglobal.com