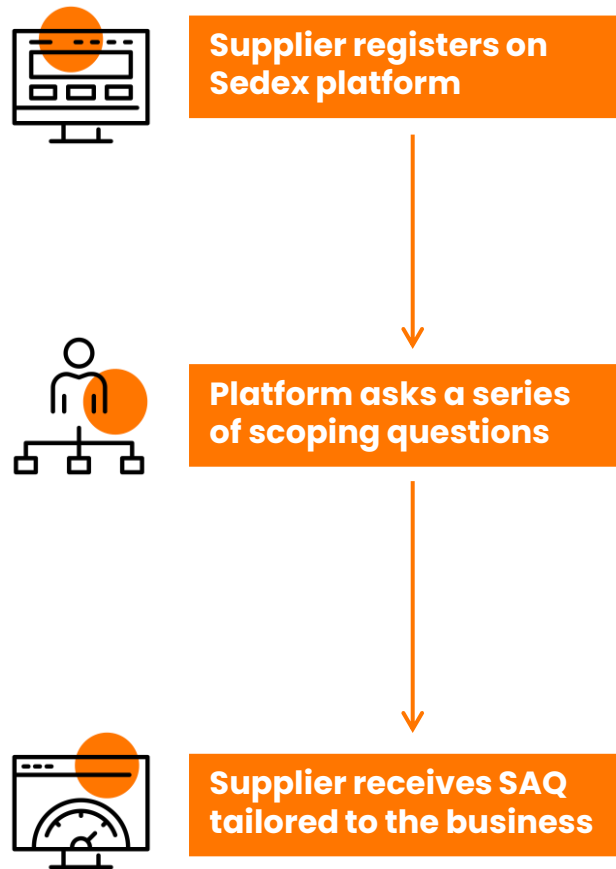


Key design principles of the Service Provider SAQ

- ✓ Covers broad range of service providers, rather than being limited to selected, specific activities – responds to wide range of use cases
- ✓ Follows a characteristics-based approach with a modular dynamic build and nature – key for generating actionable and relevant information
- ✓ Aligns with existing Sedex products, especially the Goods Provider SAQ – ensures comparability and easy integration



Key features of the service provider SAQ



SAQ is generated as a function of specific characteristics reflecting key risk factors*

Type of work	Low skill	Service activities requiring low levels of qualification (more likely to be carried out by vulnerable workers)
Workforce	Direct employees Third-party workers	In many service activities, risk is driven by widespread subcontracting – decreasing visibility and leverage
Workplace	Own site(s) Third party site(s) No fixed location	Service activities often involve dispersed workforces or take place on third party sites, which can act as a driver of risk

*Additional targeting of questions based on **company size** and specific **areas of activity**, e.g. recruitment agencies or sourcing agents

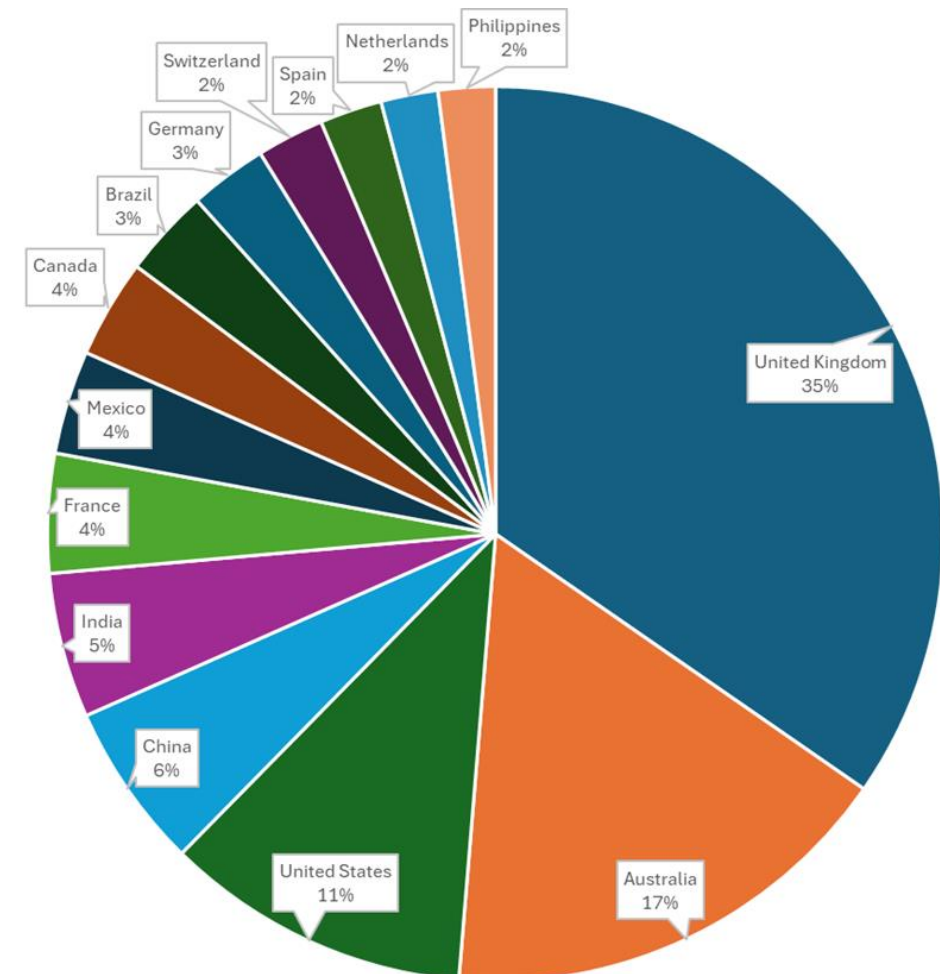
Key topics covered in the Service Provider SAQ



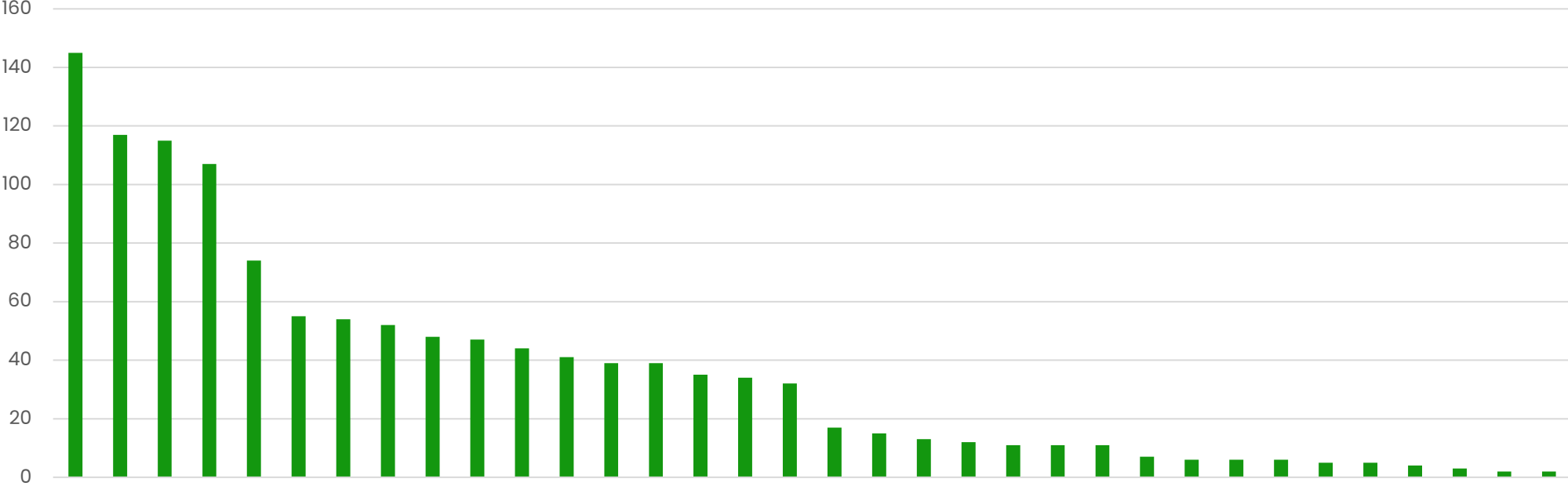
SAQ for Service providers in numbers

- Launched 27th August, 2024
- 901 SAQs created
- 709 SAQs completed to at least 95%
- 61% completed within 24 hours
- 90% completed within 15 days of starting
- 4.3/5 is the average rating of service providers' experience completing the new SAQ

Top countries with submitted SAQs



Which type of service(s) do you provide to your clients?



Service provider audit

- Proposal to launch a service provider audit mid-2025
- Discovery starting this month, with initial focus on understanding:
 - What Sedex members are currently doing;
 - Priority service provider categories for audits;
 - Suitability of the existing SMETA supplement;
 - Identifying relevant SMETA 7 requirements;
 - Adaptations that would be needed to the SMETA audit report.
- ❖ Which categories would FNET members like Sedex to focus on?
- ❖ Who is already conducting service provider audits and how?

SMETA update

1. Since launch, over 5,000 SMETA audits executed, 4,000 published on the Platform.
2. SMETA team is focused on **data analysis** and **working with AACs** on how Sedex can best provide support to continually improve implementation.
3. 3-month review will be held in **January**. This is a review of the performance of SMETA 7 within its first three month and the data-based actions taken by Sedex. **Invitation will be shared with all members and to FNET directly.**
4. Small survey of auditors shows very positive response to SMETA 7 – **4.38/5 average rating** for fully understanding the SMETA 7 workplace requirements.

Auditor quote: *“Auditing with SMETA .7.0 is much easier to understand and make improvements to working conditions and environmental performance”* – but still lots of activities to be done to improve auditor performance.