



Food Network for Ethical Trade
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Sedex UK
5 Old Bailey
London, EC4M 7BA

29th November 2021

Dear Tristan and the Sedex team,

We are writing on behalf of the members of the Food Network for Ethical Trade (FNET) to raise with you formally our concerns about the increase in working hours seen by members as a result of labour shortages in the last 12 months and to ask for Sedex's support and leadership in **providing clarity to the audit bodies in how they interpret and classify audit non-conformances related to these issues.**

A number of members feel very strongly that the working hours issues they are currently experiencing are very hard for them to control because of global labour shortages. They are requesting as much support as possible from organisations including Sedex to ensure consistent standards are being implemented within supply chains to manage these issues responsibly and to recognise the positive steps that members are taking.

In a survey conducted a month ago with FNET members, 65% of members reported hours going above 60 hours per week in their own operations in the last 12 months, 85% of whom said this was a result of labour shortages. In supply chains, 35% of members report that issues of working hours in excess of 60 hours per week have got worse in the last 12 months, 42% of those as a result of labour shortages with the UK, Spain, South Africa and Thailand highlighted.

The majority of members are working hard to manage these working hours issues responsibly in their own operations, for example by setting maximum thresholds for working hours, management checks on health and safety, supervisor training and oversight or root cause analysis. In supply chains, the focus is on following up audit non-conformances, discussing work hours issues with suppliers by email or the phone, providing practical advice to suppliers or supporting suppliers to set up grievance mechanisms.

Our research into retailers' responses to these increased working hours indicates that reactions are mixed. Retailers themselves are looking for guidance on how to determine whether the current global

and UK labour shortages constitute “exceptional circumstances” according to the ETI Base Code and how best these should be managed. Some retailers are providing detailed guidance to suppliers on their expectations of how working hours should be managed. Some are not.

Members are also reporting that auditors’ responses to working hours of more than 60 hours per week are varied, with some raising non-conformances about these issues and others raising them as observations. Non-conformances, when they are raised, have different gradings for the same issues.

The audit firms we have spoken to have themselves report that more could be done to communicate working hours requirements, including what sites should do if hours go over 60 hours per week. This would, in their view, drive consistency in managing excessive working hours. It would also support suppliers to provide the documentation and evidence required for auditors to assess the steps suppliers have taken. The need for guidance is reported to be particularly needed at farm-level.

Our request to Sedex is to provide clarity to the audit bodies and guidance for members in the following areas:

- Clarifying for auditors which working hours scenarios should be classified as audit non-conformances when they are directly influenced/ impacted by national/ local labour shortages
- Clarifying for audit bodies what severity should be assigned to non-conformances raised in audits about working hours issues linked to labour shortages
- Clarifying what steps suppliers are required to take to justify additional working hours
- Clarifying what steps suppliers should take to manage additional working hours responsibly.

We would appreciate setting up a time with you before mid-December to discuss this further and, we hope, plot a route forward together which supports Sedex’s and FNET’s members.

Very best wishes,

A handwritten signature in black ink, appearing to read "L. Herring".

Louise Herring

On behalf of FNET and its members.