



UN Global Compact Communication on Engagement (COE)

Period covered by this Communication on Engagement:
From January 2022 to February 2023



Statement of Continued Support to the United Nations Global Compact

We are pleased to confirm that Sedex Information Exchange Ltd. Reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents. In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like ours, in the last year since re-joining the UNGC Network in the UK and USA. We also commit to sharing this information with our stakeholders using our primary channels of communication.



Jon Hancock
Chief Executive Officer
London, 3rd March 2023

Sedex's mission

At Sedex, we are devoted to driving a worldwide movement of businesses and stakeholders that seek sustainable ways of working in line with the United Nations Global Compact's Ten Principles. Through our tools and services, we strive to be an enthusiastic champion for human rights, labour standards, environmental protections & anti-corruption initiatives - ultimately advancing towards the shared vision of creating a world where responsible business practices remain integral elements within organisations around the globe.

Sedex is a membership organisation that provides one of the world's leading online platforms for companies to manage and improve working conditions in global supply chains. We provide practical tools, services and a community network to help companies improve their responsible and sustainable business practices and source responsibly. Sedex's vision is to drive organisations globally to improve the lives of the people they impact. Today, Sedex and our members impact the lives of 33 million people globally.

We believe every person working in the supply chain should have equality, a safe place to work, and the means to support themselves and their families, free of bribery and corruption, using sustainable methods that keep the environment intact for future generations.

To meet our vision, our purpose is to collaborate with organisations to provide the most trusted and efficient information, tools and services to manage risk and drive responsible business in global supply chains.



We support our members with innovative solutions – to protect people, the environment and business in a sustainable and ethical way.

We strive to continuously improve our members' ethical performance and responsible practices by providing them with the tools they need to drive change in their supply chain.

As part of this commitment, we reaffirm our ongoing endorsement of the UN Global Compact (UNGC) and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Through our membership in the UNGC network, we make responsible business practices a fundamental part of our members' operations and demonstrate our commitment to being a leader in responsible supply chain management.

We are committed to helping our members continuously improve their compliance with these Principles and actively promoting them beyond our organisation wherever possible corruption.

Through our membership in the UNGC network, we make responsible business practices a fundamental part of our members' operations and demonstrate our commitment to being a leader in responsible supply chain management.

We are committed to helping our members continuously improve their compliance with these Principles and actively promoting them beyond our organisation wherever possible. We have created a range of resources and tools to help our members understand, implement and measure their compliance with the UNGC Ten Principles.

We support our members by sharing best practices and providing training opportunities on responsible business practices such as workplace safety, environmental protection, human rights in supply chain management and anti-corruption. Additionally, we provide guidance and support to our members in the form of workshops and webinars, as well as access to our library of resources.

At Sedex we are committed to helping our members drive positive change in their operations and beyond. We will continue to strive for a future where all people working in global supply chains have equality, safety, decent work conditions and reasonable wages, free from bribery and corruption, with sustainable methods that protect the environment for future generations. We look forward to continuing our work in partnership with the UNGC and its network members to ensure this vision is achieved.

Thank you for taking the time to read our Communication on Engagement with the United Nations Global Compact. We welcome your feedback and comments on the contents of this document.

Thank you for supporting us in our mission to drive responsible business around the world.

Sincerely,

A handwritten signature in black ink, appearing to read "B Hall".

Bex Hall

Head of Consulting of Sedex

About Sedex

Sedex is a leading responsible business membership organisation. Headquartered in London, with offices in Gurugram, Chicago, Chile, Shanghai, Sydney, and presence in Tokyo, we work with companies across the globe to create more responsible and sustainable supply chains. Sedex enables companies to work together to better manage their social and environmental performance which leads to financial, operational, and reputational benefits, strengthened credibility with business partners and customers, improved working conditions in supply chains, and enhanced environmental impact.

One of the biggest challenges facing companies is the multi-tiered complexity of their supply chains and lack of visibility and transparency, which makes it difficult to uncover human rights and environmental impacts. Our work is centred on helping businesses achieve end-to-end supply chain visibility, to identify issues, establish and maintain responsible operating principles, and to understand and better resolve the inherent risks affecting people, businesses and the environment in global supply chains.

This includes tracing human rights issues, gender inequalities, sustainable sourcing and general worker welfare, as well as carbon emissions, deforestation, and water usage. Our leading technology platform, data insights, and expert guidance also make it easy for businesses to manage, assess, and report on sustainability performance and meet their supply chain goals.

We have almost 20 years of expertise operating in sustainability and we work with some of the world's most recognisable brands and standard-setting organisations. 1 in every 10 Fortune 500 companies are Sedex members. We have 75,000 members in more than 45 industries and to date have impacted the lives of 33 million workers across 170 countries.



How does Sedex support the UNGC's mission?

We support the 10 principles of the UNGC through our work and mission. At Sedex, our mission is to supply data-driven insights and bespoke support to help companies continuously improve environmental, social and governance (ESG) outcomes.

We do this through our leading suite of tools, data, and services:

- Sedex Platform - The world's largest data platform for supply chain assessment, to store, analyse, share, and report on sustainability practices, enabling data exchange between buyer and supplier companies.
- SMETA audit – SMETA is Sedex's world leading ethical audit methodology, with over 300,000 audits conducted to date. It enables businesses to gain visibility of working conditions and environmental performance in supply chains.
- Consulting - A dedicated Consulting team for members and non-member organisations, bringing together leading data insights and renown industry expertise to maximise the impact of sustainability efforts.
- Self-Assessment Questionnaire (SAQ) - Questionnaire about company policies, safety standards, labour standards, and environmental performance that enables suppliers to share a self-assessment of their sites with customers.
- Radar - Risk assessment tool that helps businesses understand labour rights and environmental risks in their operations and supply chain.
- Training & Community – Opportunities for businesses to increase knowledge and capabilities to develop effective sustainability strategies through our interactive e-learning platform and community events to share insights and best practices.

At Sedex, we are devoted to driving a worldwide movement of businesses and stakeholders that seek sustainable ways of working in line with the United Nations Global Compact's Ten Principles. Through our tools and services, we strive to be an enthusiastic champion for human rights, labour standards, environmental protections & anti-corruption initiatives - ultimately advancing towards the shared vision of creating a world where responsible business practices remain integral elements within organisations around the globe.

How our tools and services meet UNGC Principles

Areas	Principles	Sedex Tools and Services Meet UNGC Principles
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	Fully meets
	Principle 2: make sure that they are not complicit in human rights abuses.	Fully meets
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Fully meets
	Principle 4: the elimination of all forms of forced and compulsory labour;	Fully meets
	Principle 5: the effective abolition of child labour; and	Fully meets
	Principle 6: the elimination of discrimination in respect of employment and occupation.	Fully meets
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges;	Fully meets
	Principle 8: undertake initiatives to promote greater environmental responsibility; and	Fully meets
	Principle 9: encourage the development and diffusion of environmentally friendly technologies.	Partly meets
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Fully meets

Sedex Actions in 2022

In 2022, we conducted many activities that promoted the principles of the UNGC.

Operational

Sedex has made internal improvements to ensure we are operating as a responsible business and providing tools and services that continue to enable companies from around the world to do the same. This included developing new organisation-wide strategies, expanding our global presence, and investing in innovative services and digital tools.

- We developed a new strategy to align to future challenges and help businesses become more responsible and sustainable, which hundreds of members and staff contributed to.
- We opened a North America Office in Chicago, US, to effectively engage with the business community in the region.
- We launched a Consulting service that supports businesses in any stage of their sustainability journeys, in a collaborative manner to deliver solutions with tangible impact. Among the many solutions implemented, Sedex Consulting developed sustainability and human rights due diligence programmes, responsible sourcing strategies and policies, provided legislative support and guidance, and conducted training in areas such as modern slavery.
- We developed our own internal sustainability plan to ensure our organisation is growing responsibly and sustainably, including understanding the environmental and social impact of our own operations and supply chain.
- We launched our new platform, Connect, to improve the customer journey at Sedex and ensure our digital tools are fit for purpose. 35% of Sedex members are now using Connect, allowing them to more effectively and seamlessly monitor human rights and environmental impacts in their supply chains.

The impact of these actions in numbers:

In 2022, Sedex worked with 75,000 members, including 1,179 buyer and buyer/supplier members. This totalled 86,197 unique sites of work.

- We have members in 170 countries and across 45+ industries.
- In 2022, there were 207,452 audits on the Sedex platform – each audit has the goal of assessing the labour conditions, health and safety, environment and business ethics practices of a business site to drive positive. Lasting change and more sustainable behaviour.
- 98,361 SMETA non-compliances closed in 2021 – this means 98,361 activities that were identified as problematic or dangerous to workers or the environment on supplier sites were rectified to the satisfaction of an auditor.
- Our buyer (A & AB) members represent over £1 trillion in annual revenues
- 1 in 10 Sedex members are a FTSE 250 company
 - 13% of Fortune 500 companies are Sedex members
 - 11% of FTSE 250 companies are Sedex members

Internal engagement

A key part of living up to our UNGC commitment is engaging our global workforce across seven regional offices with UNGC principles through internal committees, initiatives, and events. As a result, Sedex colleagues have gained knowledge across key issues such as gender equality, non-discrimination, and labour standards.

- We created a Diversity & Inclusion Committee to develop initiatives to create a culture of inclusivity and sense of belonging at Sedex.
- We organised several events for staff as awareness raising and learning opportunities on multiple topics, including a panel on International Women's Day and cultural celebrations, such as Diwali and Thanksgiving.
- We have formalised our own internal ESG plan and gained board approval. It is being rolled out from the start of 2023 and will strengthen our commitment as a company to more sustainable behaviour day to day.
- Dozens of colleagues in global offices joined UNGC webinars throughout the year to learn more and share information with colleagues, increasing awareness of the UNGC's mission and principles.

Global and regional reach

In addition to the growth of our membership encouraging support directly and indirectly for the UNGC, Sedex attracts new participants through our outreach efforts and awareness raising during Sedex initiatives, events, and training on specific topics relevant to corporate sustainability. Directly and indirectly, these outreach activities provided a platform to highlight the UNGC 10 Principles and share Sedex's commitment to these.

- We supported over 75,000 members to improve conditions in almost 100,000 sites in supply chains around the world, including some of the world's most challenging locations and industries for human rights and environmental impacts. We also reached 300,000 ethical audits which helped thousands of companies improve their social and environmental performances, creating a ripple effect all the way to the customer / consumer level.
- We conducted two worker voice pilots in 32 sites across India, Mexico, China and Australia in collaboration with &Wider and Ulula and 8 Sedex buyer members. As a result, we surveyed approximately 2,500 workers to help improve the detection of issues linked to living wages and working hours and understanding of site conditions during the SMETA audit process.
- We worked to enhance the SMETA audit methodology in order to meet changing customer and industry requirements by accurately identifying the salient issues that affect workers in global supply chains and providing a supportive environment for sites to address issues and continuously improve working conditions. We conducted 20 SMETAx pilots with our enhanced audit methodology, which was widely well received by members.
- Our Head of Consulting, Bex Hall, was nominated for the UNGC Network UK's Advisory Group. She will be helping drive the mission and goals of the UNGC throughout the UK, as well as sharing learnings with Sedex and it's members.
- We organised and hosted 115 international events including in person events and webinars to teach stakeholders about how to make their own businesses and supply chains more sustainable, reaching 8547 guests - hundreds more watching on demand - across over 100 countries. Events included our "Chicago Connect" in person event for members in the US, two sessions for Japanese companies in the Food & Beverage industry as part of the Sedex-led industry working



- We spoke at and participated in several events linked to the UNGC principles and mission, including:

The 2022 Concordia Annual Summit in New York, which convenes the world's most prominent business, government, and non-profit leaders to foster dialogue and enable effective partnerships for positive social impact, including on responsible business. Our participation enabled us to engage in critical and trend-setting conversations on sustainability with world leaders, therefore promoting UNGC's mission.

The 11th UN Forum on Business and Human Rights in Geneva, the world's largest annual gathering on business and human rights with more than 2,000 participants from government, business, community groups and civil society, law firms, investor organisations, UN bodies, national human rights institutions, trade unions, academia and the media. Our presence in this forum enabled us to understand how we can further engage with the UNGC's human rights principles in our work.

The UN WG Business and Human Rights 32nd session's public consultation, where we made an intervention about the importance of the business case for human rights due diligence and helping companies of all sizes see the value in sustainable operations. This allowed us to advocate for the UNGC's principles to a global audience.



Looking ahead

Sedex will continue to engage with organisations from around the world to foster responsible business practices, aligned with our vision to be a leader in making global supply chains more socially and environmentally sustainable. Embedding the UNGC principles is essential to this endeavour.

In 2023, we will commit to the following actions to demonstrate our ongoing improvement and commitment to the UNGC:

- We will roll out our new strategy to support businesses more holistically with improving their sustainability maturity and achieving their goals and targets.
- We will continue to improve the effectiveness of our tools and services to address the challenges affecting global supply chains. As part of this, we will continue to build on the success of our new platform Connect, plan to roll out SMETax to our members, and roll out new worker voice pilots.
- We will roll out our internal ESG plan in order to ensure that we are growing sustainably as an organisation as we grow our business and engage our staff in this endeavour.
- We will continue to engage our community and networks on topics pertinent to the UNGC through events such as the Sedex flagship conference and Sedex Sustainability Awards, webinars and external conferences, articles and reports, as well as training.
- We will continue to engage with the UNGC US Network to strengthen our engagement in the region in embedding the principles of the UNGC through our work and presence in industry events.

For any questions, please contact communications@sedex.com.





Head Office: 5 Old Bailey, London ,EC4M 7BA

+44 (0)20 7902 2320 | helpdesk@sedex.com | www.sedex.com

GURUGRAM | LONDON | SANTIAGO | SHANGHAI | SYDNEY