

Sedex Terms	Definition
Buyer (A) Membership	<p>This is for retailers and brand-owners who are at the top of their supply chain, and do not supply products or services to other businesses. Buyer members usually wish to:</p> <ul style="list-style-type: none"> • View data about their supply chain • Run reports about their supply chain • Gain a complete overview of the trading relationships within their supply chain.
Buyer/Supplier (AB) Membership	<p>This is for companies with their own production sites, or who act as agents, and wish to run reports on their supply chain (see Buyer Membership functionalities). Buyer/Supplier Members can both buy from and supply products and services to other businesses. Buyer/Supplier Members can also complete data about their own production sites (see B Membership functionalities). This type of membership tends to be more suited for larger manufacturing and production companies, brands, and agents.</p>
Supplier (B) Membership	<p>This membership is for companies who own one or more production site and supply products and services to other companies. It is also for companies acting as agents, who do not wish to run reports on their supply chains. Supplier Members can input data on to the Sedex platform, including Self-Assessment Questionnaires and Audits.</p>
Accident Book	<p>An Accident Book records all accidents or reported illnesses within the workplace. The Accident Book should also include minor accidents such as small cuts and seemingly insignificant incidences. For each accident/illness, the following information should be recorded:</p> <ul style="list-style-type: none"> • Date • name of the worker • Nature of the accident • Cause of the accident • Action taken to minimise the reoccurrence of the accident • Person responsible for these actions. <p>The management, health and safety committee and production site medical staff (if available) should use this record to track accidents/illnesses and to ensure to that action is taken to reduce the number of accidents. For example, by putting a guard on a machine, providing suitable and effective personal protective equipment or training workers in safe use of machinery and chemicals.</p>
Agency (Employment/ Labour Provider)	<p>An Agency is also known as an employment agency, employment business or labour provider. It is a business that acts as a middle-man and employs workers to work at another company's (labour user) site, on their behalf.</p>

Agency Worker	Agency workers are employed by an employment agency. The employment agency has a contract with the company where the agency workers carry out their work. The agency workers are paid by the employment agency and the labour user (the company where the agency workers carry out their work) pays the employment agency a fee for using the workers.
Agent	A company buying goods manufactured by others to supply a retailer or brand. Agents, also referred to as buying agents, do not manufacture or produce any part of the product themselves.
Audit (ethical/ social)	A thorough, formal assessment of the labour practices at a workplace or company, based on corroborated evidence. The essence of an audit is the examination of evidence and the cross-checking of the evidence to establish its truth. This in turn implies the observance of established rules and procedures concerning the gathering and evaluation of the various kinds of evidence. Audits are used to help the supplier and buyers understand how their sites are performing, and to highlight where potential issues are occurring, in the hope that these are then removed.
Audit company	A third party, independent commercial business assessing a site's established management systems using a specific code of conduct or standard as criteria to conduct an audit.
Audit types	<p>First Party Audit: a company that "self-audits" their own employment site using their own audit resource.</p> <p>Second Party Audit: an audit or assessment undertaken by a body with a trading relationship with the site, most likely to be a customer / buyer.</p> <p>Third Party Audit: an audit or assessment undertaken by an independent party e.g. an independent commercial audit company, NGO or trade union. Audits may also be undertaken collectively by a group of these stakeholders (multi-stakeholder).</p> <p>Note: A multi-stakeholder audit is an audit carried out by a group of stakeholders including NGOs and/or unions where the NGO/union have been involved in a shared decision-making process on inspection methods.</p>
Broker	A company that acts as an agent for others, for example in negotiating contracts, purchases, or sales. Brokers do not manufacture or produce products themselves.
Casual worker	A casual worker is employed only when there is work available. This may often be arranged on a day-to-day basis, and 'advertised' on the day. These workers may not have a contract directly with the worksite, but contractual arrangements may be made via an agency.
Code of Conduct	A Code of Conduct is a set of standards or rules for ethical behaviour. The Code is adopted by a customer to set out the minimum labour

	standards that they expect their suppliers to comply with. These labour standards cover issues such as health, safety, wages and child labour.
Collective Bargaining Agreement	A collective bargaining agreement is a negotiated contract drawn up between an employer and a union or legitimate workers' organisation. The agreement defines the employees' terms of employment and may include the outcome of negotiations on levels of payment or working hours. The conditions of employment agreed in a collective bargaining agreement must never be lower than the legal standards in the country of operation.
Company	A company is any entity that engages in business.
Consumer	Usually the end user of a product or service, such as someone buying goods in the supermarket or using a car wash.
Corrective Action	A corrective action is a change implemented to address a non-compliance/area to improve, which has been identified in an ethical audit or similar site assessment. It is an action taken to correct the non-compliance issue.
Corrective Action Plan	This is a document completed at an audit, which confirms the findings and the agreed next (corrective) actions. This is usually agreed at the closing meeting of an audit and a copy left with the factory. The corrective action plan is also usually uploaded into the Sedex platform, together with the audit report.
Customer (also referred to as 'Buyer' or 'Purchaser')	A business that buys products (goods or services) from other businesses. They might be an agent or intermediary who sell the products to other businesses (usually retailers), or they are a retailer and sell the products to the end-consumer. A customer company has the ability to choose between different products and suppliers.
Customer Supplier Reference	Some companies recognise their suppliers through different supplier codes/numbers. If you know what your code is, you can enter it in the relevant field when linking to a customer.
Direct Customer	Direct Customers are customers who your organisation has a direct relationship with, meaning you directly supply to them and they pay you for your goods.
Equal Opportunities Policy	An equal opportunities policy should specify your approach to workers of different gender, age, ethnic origin, race, caste, tribe, or religious belief. The policy may have statements on equal pay for equal work, equal access to hiring, training, promotion, benefits etc. and should explain how this works in practice.
Factory Processing/ Manufacturer	A factory that produces goods or processes items to make or contribute towards a finished product.

Finished Product Supplier	A factory/operation that buys component parts from other suppliers and assembles them into a finished product.
Fire Drill	A fire drill involves setting off the fire alarm without warning and checking to see that all workers understand how to escape from a building calmly but quickly. You should regularly check that the fire escape routes in the building are clear, fire exits are unblocked and unlocked, and that sufficient fire escapes/staircases are provided. Once all workers are out of the building and assembled, a register should be taken to record that all workers are present. Having a registration or log-in system for when workers enter or leave the premises is important, as in the event of a fire, management can easily identify where a worker is meant to be.
Freedom of Association	The right of all workers to join or form a trade union of their own choosing and carry out trade union activities without interference from their employer or from public authorities. Joining a trade union is a workers' right and they must not be treated differently to other employees.
Grievance Procedure	A process or procedure to deal with employees who may feel that they have been treated unfairly. A Grievance Procedure should be clear to all employees, so that they understand how to deal with such situations if they arise.
Grower	A farmer growing fruit/vegetables/other produce. A grower may pack the products themselves or provide these to a packing house where these will get packed for the end customer.
Hazardous Jobs	Hazardous jobs include working in situations that are particularly dangerous for the person. This includes working with dangerous machinery/equipment e.g. knives, saw; working with chemicals or hazardous substances; working in noisy environments; lifting heavy things, and working in extreme cold or hot conditions.
Homeworkers	Workers who carry out work in their home.
Importer	A company who imports goods from other places and supplies those goods onto different customers.
Indirect Customers	An indirect customer may be a retailer or similar company, that is supplied with your goods by your Direct Customer (such as an Agent or Importer). There is no direct relationship with an indirect customer, so this type of customer does not pay you for your goods. They will pay your direct customer who in return pays you.
Indirectly Employed	Employees/workers who are employed by a third-party organisation (such as a labour agent) and supplied to a site.

Intermediary	A company that acts as a channel for goods or services offered by a supplier to a customer. Typically, the intermediary offers some added value to the transaction.
Labour Provider	The labour provider has a contract with the labour user where the employees carry out their work. The agency workers are paid by the labour provider and the labour user pays the labour provider a fee for using the workers.
Legal Maximum Working Week	The legal maximum hours in a week is the legal standard working hours plus the maximum legal overtime hours in one week.
Living Accommodation	Accommodation employers supply to their employees, either for free or for a set price.
Logistics	Operations that deal with the procurement, supply, and maintenance of equipment, with the provision of facilities and services and with other related matters.
NGO	NGO stands for non-governmental organisation. A non-profit organisation or charity that operates independently of any government. Typically, their purpose is to address social or political issues.
Non-Discrimination	The avoidance of treatment or consideration of, or making a distinction in favour of or against, a person or thing based on the group, class, or category to which they belong rather than on individual merit e.g. prevention of racial and religious intolerance and discrimination.
Packhouse	Warehouse for storing goods.
Permanent Workers	Workers in full-time paid positions, directly employed by the site, who work all year round.
PMO	PMO stands for Produce Marketing Organisation, for example an agricultural cooperative.
Primary Producer	A produce supplier who has multiple roles e.g. a grower and packer who supplies most of a product to its customer.
Production Site	Refers to physical sites where goods are grown, manufactured or assembled and, in the case of services, physical sites where there is a workforce.
Regular Employment	Employees who work for a single employer and are paid directly by that employer. In addition to their wages, employees often receive benefits like subsidised health care, paid vacations, holidays, sick time, or contributions to a retirement plan.
Retailer	A business that sells goods to the end-consumer, as opposed to a wholesaler or supplier, who would normally sell their goods to another

	business. Retailers usually do not manufacture or produce any part of the goods themselves.
Seasonal Worker	A seasonal worker is employed on a short-term basis since the work is only available for a limited time or season. These workers often return to the same job year after year.
Service Provider	An entity that provides services to other entities. For example, lawyers or cleaners.
Site	A physical place that a company owns or rents for their company and where their employees work.
Smallholder	A person holding agricultural land where the size is less than a small farm.
Standard Working Hours	The working hours within a set period that an employee is expected to work as part of their employment.
SAQ (Self-Assessment Questionnaire)	The SAQ is a questionnaire that enables suppliers to answer questions about their labour standards and health and safety.
SMETA	SMETA (Sedex Members Ethical Trade Audit) is a social audit methodology and best practice for auditors.
Sub-contractor	A subcontractor is an individual, or in many cases a business, who signs a contract to perform part or all the obligations of another company's contract.
Sub-contracting units	A business/place of work that signs a contract to perform part or all the work obligations of another business' contract. This is often done when there is a higher demand in products than the first business can complete.
Supplier	<p>An organisation that provides something needed such as a product or service. Supplier may refer to:</p> <ul style="list-style-type: none"> • Manufacturer - uses tools and labour to make things for sale • Processor (manufacturing) - converts a product from one form to another • Packager (manufacturing) - encloses products for distribution, storage, sale, and use • Distributor (business) - the middleman between the manufacturer and retailer • Wholesaler - sells goods or merchandise to retailers • Franchised dealership - local franchised distribution • Merchant - a professional dealing with trade.
Supply Chain	A supply chain is a system of organisations, people, activities, information, and resources involved in moving a product or service in physical or virtual manner from supplier to customer. Supply chain activities transform natural resources, raw materials, and components into a finished product or service that is delivered to the end user (consumer).

Temporary Worker	A temporary worker is employed on a contract for a specified period. In most cases when this contract expires there is no obligation for the employee to provide further employment.
Trade Unions	<p>There are two kinds of trade union organisations - those that have workers as members and those that have trade unions as members. This term is used to refer to both kinds of organisations.</p> <p>Trade unions that have workers as members usually represent employees, including collective bargaining with employers and is most often organised on a national basis by industry or sector. Sometimes these organisations are organised by occupation or by enterprise instead of by industry or sector.</p> <p>Trade unions that represent other trade unions, are often at the national level and are referred to as national trade union centres (the Trade Union Congress is the national trade union centre for the UK). At the international level, the Global Union Federations (GUF) are industry or occupation-specific organisations whose membership is made up of national trade unions who represent workers in that industry or occupation in different countries. Finally, there are international organisations which have national trade union centres and GUFs as affiliates. These include the International Confederation of Free Trade Unions (ICFTU), the European Trade Union Confederation (ETUC) and the Trade Union Advisory Committee to the OECD (TUAC).</p>
Union	A group of workers formally and officially joined together for improving their working conditions, as well as helping to promoting the common interests of the group.
Vendor	A company offering something for sale, often a seller in the street or of property.
Wages	Remuneration for an employee's labour.
Warehouse	Place for temporary storage.
Wholesaler	Company that buys large quantities of goods from various producers or vendors, warehouses them, and resells to retailers.
Worker Organisation/ Committee	This refers to trade unions or joined groups of workers that meet with management to discuss workplace issues with management on behalf of all workers of a site/company.
Working Hours	The total hours within a set period that an employee regularly works (including overtime).
Young Employees/ Workers	Workers who are above the local legal minimum working age, but under the age of 18.