Standard Convergence Initiative (SCI)

Measuring convergence with ITC's Standards Map

25 Feb 2022 | OECD Forum Side Session
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Introduction & background
What is the SCI?

- An initiative of the International Apparel Federation (IAF) & the International Textile Manufacturers Federation (ITMF)
- Aimed at reducing audit and standard fatigue in the Garment and Footwear Sector

In order to:
- Reduce compliance costs to industry
- Redirect freed-up resources toward improving working conditions
  While...
- Maintaining quality and integrity of compliance mechanisms
Why has the SCI been developed?

- Too many duplicative and unnecessary audits
- The Corona-pandemic highlighted necessity to act

- To reduce audit and standard fatigue it is necessary to align standards
  - **Across criteria where convergence is feasible, such as:**
    - Oversight methodologies (consistency across Conformity Assessment Bodies)
    - Quality assurance (audit processes and requirements)
    - International labour standards (e.g. ILO Fundamental Conventions)
    - Compliance with national laws and regulations (e.g. health and safety)
    - Multi-stakeholder collaborations (openness/ inclusiveness of standard)
    - Mutual recognitions (recognition of other standards or initiatives)
  - Promote standards that show propensity for convergence
    - Leads to greater alignment/ harmonization of standards and audit/ oversight processes
How does the SCI work?

- SCI has developed **four principles for identifying a standard body’s level of preparedness for convergence across social requirements**
  - For each principle, **a set of measurable ITC criteria that best represent the SCI principles was selected**
  - Any standard housed in the ITC Standards Map can be assessed against the SCI criteria to determine the level of preparedness of that standard toward convergence
  - If a standard body addresses most or all the selected criteria, then the standard illustrates a propensity for convergence
- Principles and associated criteria will be housed within the ITC database and posted on ITMF/IAF’s project website

www.standard-convergence-initiative.org
SCI actionable timeline

SCI Principles
Selection of ITC criteria
Refinement of ITC criteria
Finalization of SCI Principles & Criteria with public consultation
SCI Methodology

Q1 2021
Q3 2021
Q4 2021/ Q1 2022
ITC Standards Map
ITC Standards Map

The world's largest database for sustainability standards

We provide free, accessible, comprehensive, verified and transparent information on over 300 standards for environmental protection, worker and labour rights, economic development, quality and food safety, as well as business ethics.

Standards Map free toolkit

Our free tools help you to find trusted and neutral information about voluntary sustainability standards (VSS), codes of conduct, audit protocols, reporting frameworks and company programs on sustainability.

- **Identify standards**
  Review 300+ standards by product, sector, area or focus and more

- **Compare**
  Compare up to 4 standards side by side across 1650+ criteria

- **Monitor trends**
  Make informed decisions regarding production trends among standards

- **Self-assess**
  See where you’re at in your standard compliance process and assess your business for sustainability readiness

https://www.standardsmap.org/en/home
Standards Map Criteria: requirements

<table>
<thead>
<tr>
<th>Standards Map</th>
<th>Time to comply</th>
<th>Criticality</th>
<th>Explicit</th>
<th>More information / Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Rights</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labour rights</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local communities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and Ethics</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Standards are assessed based on the number of criteria referenced in the Standards Map database that are addressed by the standard’s requirements.
# Social criteria coverage in Standards Map: an example

<table>
<thead>
<tr>
<th>Social</th>
<th>Time to comply</th>
<th>Criticality</th>
<th>Explicit</th>
<th>More information / Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour rights</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Criteria on working conditions</strong>&lt;br&gt;<strong>overarching principles</strong></td>
<td>Immediate</td>
<td>Major</td>
<td>yes</td>
<td>Excerpt&lt;br&gt;WORKPLACE CODE PROVISION: Employers shall provide a safe and healthy workplace...&lt;br&gt;More Info</td>
</tr>
</tbody>
</table>
Standards Map Criteria: Operational

Overview

The standard owner shows **independence** from its certificate holders. Supply chains actors, NGOs or civil society do not participate in the standard's decisions.

The standard is revised, through a **private consultation**

**Annual report:** Yes

**Documents and policies:** Yes

Details

**Standard management**
Click here to know who manages the standard and who participates in the decision making

**Transparency & Credibility**
Click here to know if standard’s policies, processes and documents are communicated

**Standard Setting**
Click here to read about the standard setting process
Standards Map Features

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Explore Standards Map

How this works →
Purpose of this OECD Forum side session

- To present the SCI Principles & Criteria
- To show how we selected the criteria from the ITC database
- To explain the methodology used to compare standards against the SCI Principles & Criteria
- To present preliminary findings
  - Assessment of six voluntary sustainability standards operating in the garment and footwear sector against the SCI Principles & Criteria
The SCI Principles & Criteria
**The SCI Principles & Types of Criteria**

**Convergence**

**Principle 1:**
Level of preparedness to harmonise standards

**Types of criteria:**
- E&S management/ strategy/ objectives
- Stakeholder mapping/ engagement/ consultation
- Recognitions and accreditations
- Compliance with international norms/ best practices
- Equality/ inclusiveness
- Accessibility

**Principle 2:**
Alignment with OECD Due Diligence Guidance and ILO Standards

**Types of criteria:**
- Supply chain due diligence
- Human rights and workers’ rights
- Legality of business operations (permits, land, wages)
- Grievance mechanisms
- Continuous improvement
- Ethics
- Impact assessments

**Principle 3:**
Level of preparedness for sharing audits

**Types of criteria:**
- Recognition and acceptance
- Audit transparency
- Audit access
- Auditor requirements
- Quality requirements/ accreditation
- Auditor assessment

**Principle 4:**
Level of preparedness to integrate quality assurance oversight

**Types of criteria:**
- Accreditation body membership
- International accreditation
- Regional accreditation groups
- Independence of oversight
- Oversight audits
- Oversight complaints and appeals
- Oversight competency/ skills

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There needs to be convergence across conformity assessment processes as well.

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ITC Selected Criteria

1. Level of preparedness to harmonise standards

<table>
<thead>
<tr>
<th></th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>24072: Criteria on Environment and Social (E&amp;S) Management Systems: general principles (Principle 1 &amp; 2)</td>
</tr>
<tr>
<td>2</td>
<td>709021: Openness of participation in stakeholder consultations to all organizations who share the scheme's values and objectives (Principle 1 &amp; 2)</td>
</tr>
<tr>
<td>3</td>
<td>10002: Recognitions &amp; accreditations</td>
</tr>
<tr>
<td>4</td>
<td>700124: Stakeholder participation</td>
</tr>
<tr>
<td>5</td>
<td>709013: Existence of clear evaluation criteria</td>
</tr>
</tbody>
</table>

2. Alignment with OECD due diligence guidance and ILO standards

<table>
<thead>
<tr>
<th></th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>24072: Criteria on Environment and Social (E&amp;S) Management Systems: general principles (Principle 1 &amp; 2)</td>
</tr>
<tr>
<td>2</td>
<td>709021: Openness of participation in stakeholder consultations to all organizations who share the scheme's values and objectives (Principle 1 &amp; 2)</td>
</tr>
<tr>
<td>4</td>
<td>10700: Is the scheme system accessible to any interested producer/supplier? (Principle 1 &amp; 2)</td>
</tr>
<tr>
<td>5</td>
<td>700416: Criteria on verification of mandatory certificates and permits related to water use</td>
</tr>
<tr>
<td>6</td>
<td>900023: Criteria on policies and procedures addressing human rights</td>
</tr>
</tbody>
</table>

3. Level of preparedness for sharing audits

<table>
<thead>
<tr>
<th></th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>800024: Criteria on transparency across types of information obtained during audit (discrepancies between the interviews and types of records)</td>
</tr>
<tr>
<td>3</td>
<td>800025: Criteria on audit access: general policy (auditor’s freedom of access to facility grounds, workers, production areas)</td>
</tr>
<tr>
<td>4</td>
<td>800026: Criteria related to denial of audit access (auditor prevented from fulfilling full scope audit requirements)</td>
</tr>
<tr>
<td>5</td>
<td>2798: ISO/IEC 17021:2006 Conformity assessment and accreditation systems</td>
</tr>
</tbody>
</table>

4. Level of preparedness to integrate quality assurance oversight

<table>
<thead>
<tr>
<th></th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>3986: Conformity Assessment body must meet specific quality requirements which are documented (e.g. ISO 65/17085)</td>
</tr>
<tr>
<td>12</td>
<td>700221: Personnel competencies [auditors of conformity assessment bodies]</td>
</tr>
<tr>
<td>13</td>
<td>700224: Personnel evaluation frequency [auditors of conformity assessment bodies]</td>
</tr>
<tr>
<td>14</td>
<td>700225: Personnel suspension [of CB auditors by oversight]</td>
</tr>
</tbody>
</table>

Selected ITC criteria

- Based on the types of criteria that apply to each Principle, the ITC Standards Map database was gleaned for the most appropriate criteria that best speak to each SCI Principle.
- Number of criteria vary depending on Principle; Principle 2 has the most criteria due to its broad applicability (all criteria related OECD Due Diligence and International Labour Standards)
Public consultation

- IAF/ ITMF/ ITC conducted a workshop for stakeholders Q4 2021
- Objectives/ processes were explained
- SCI Principles & Criteria were presented
- Stakeholders were invited to provide feedback
Methodology
Methodology: Response weighting

Response weighting:
- Criteria within Standards Map have different response options depending on the type of question.
- Some response options are yes/no and others are multi-select.
- Response options are also weighted.
  - For example: yes = 100%, no = 0%
  - Multi-select drop in weighting as degree of intensity falls.

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Level of relevance</th>
<th>Response option</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Stakeholder representation in standards decisions</td>
<td>High</td>
<td>Yes/ No</td>
<td>Select for yes</td>
</tr>
<tr>
<td>2. Frequency of standards revisions</td>
<td>Medium</td>
<td>Multi-Select</td>
<td>Annual, Every 2 years, Every 3 years, Every 5 years, Ad hoc basis</td>
</tr>
<tr>
<td>3. Scheme is open to all applicants</td>
<td>Low</td>
<td>Yes/ No</td>
<td>Select for yes</td>
</tr>
</tbody>
</table>

**Example:** If a standard is revised annually it suggests an openness for improvement & adaptation.
- Annual is weighted at 100%.
- Ad hoc = 20%
Methodology: Relevance weighting

Criteria weighting
Each criteria has a relevance rating: high, medium, low – depending on how important criteria is in achieving convergence;
Each relevance rating is weighted:
High = 100%, Medium = 80%, Low = 50%
Methodology: Calculating scores

**Step 1:** criteria is scored depending on its response weighting (e.g. Yes/ No, multi-select, etc.)

**Step 2:** the relevance score is calculated

- All "High relevance" criteria scores are added together then multiplied by High relevance weighting (100%) (scores remain the same)
- All "medium relevance" criteria scores are added together then multiplied by medium relevance weighting (80%) (scores are 80% of full strength)
- All "Low relevance" criteria scores are added together then multiplied by low relevance weighting (50%) (scores are halved)
Methodology: Overall percentage assigned to each standard

Each standard is then assigned an overall percentage for that specific SCI Principle.

**Formula:** \[
\frac{\text{(sum of high relevance criteria scores x high relevance weighting)} + \text{(sum of medium relevance criteria scores x medium relevance weighting)} + \text{(sum of low relevance criteria scores x low relevance weighting)}}{\text{total number of scored criteria}}
\]
Preliminary findings
Standards’ preparedness for convergence: A comparison of 6 standards

<table>
<thead>
<tr>
<th>Standard</th>
<th>Principle 1 Level of preparedness to harmonise standards</th>
<th>Principle 2 Alignment with OECD Due Diligence Guidance and ILO Standards</th>
<th>Principle 3 Level of preparedness for sharing audits</th>
<th>Principle 4 Level of preparedness to integrate quality assurance oversight</th>
</tr>
</thead>
<tbody>
<tr>
<td>amfori BSCI</td>
<td>88%</td>
<td>83%</td>
<td>90%</td>
<td>67%</td>
</tr>
<tr>
<td>Fair Labor Association (FLA)</td>
<td>52%</td>
<td>58%</td>
<td>70%</td>
<td>60%</td>
</tr>
<tr>
<td>Global Organic Textile Standard (GOTS)</td>
<td>70%</td>
<td>81%</td>
<td>60%</td>
<td>76%</td>
</tr>
<tr>
<td>Made in Green by Oeko-Tex</td>
<td>50%</td>
<td>76%</td>
<td>80%</td>
<td>71%</td>
</tr>
<tr>
<td>SA8000</td>
<td>68%</td>
<td>78%</td>
<td>70%</td>
<td>92%</td>
</tr>
<tr>
<td>WRAP</td>
<td>89%</td>
<td>72%</td>
<td>70%</td>
<td>76%</td>
</tr>
</tbody>
</table>

Any standard in ITC Standards Map can be quickly and easily compared against the SCI criteria!
Conclusion

- ITC has created an automatic tool for SCI comparison of any standard operating in the textile and footwear sector that is in ITC Standards Map.
- The comparison informs a standard’s level of preparedness for:
  1. Harmonization of standard content
  2. Alignment with existing international standards and guidelines
  3. Sharing audit outcomes
  4. Integration of oversight processes
- If a standard body addresses most or all the selected criteria, then the standard illustrates a propensity for convergence.
- The aim is to promote standards illustrating a propensity for convergence.
  - Hopefully leads to greater alignment/harmonization of standards and audit/oversight processes.
Next steps

1. Stakeholder feedback based on OECD Forum Side Session – 25/02/2022
2. IAF/ITMF to address all stakeholder feedback
3. SCI Principles & Criteria / methodology finalized
4. ITC to house SCI Principles and Criteria in ITC Sustainability Map database
5. ITC to facilitate assessment of standards against the 4 SCI principles
6. Users can access ITC Sustainability Map to identify level of propensity for convergence across standards assessed
7. IAF/ITMF to promote standards illustrating high level of preparedness for convergence
8. Continue dialogue and action toward convergence across standards operating in the textile and garment sector
Thank you

Contacts:
- Mathieu Lamolle, Senior Advisor in Sustainability Standards & Value Chains at the International Trade Centre: lamolle@intracen.org
- Matthijs Criete, Secretary General, IAF: criete@iafnet.com
- Christian Schindler, Director General, ITMF: christian.schindler@itmf.org