

Standard Convergence Initiative

by



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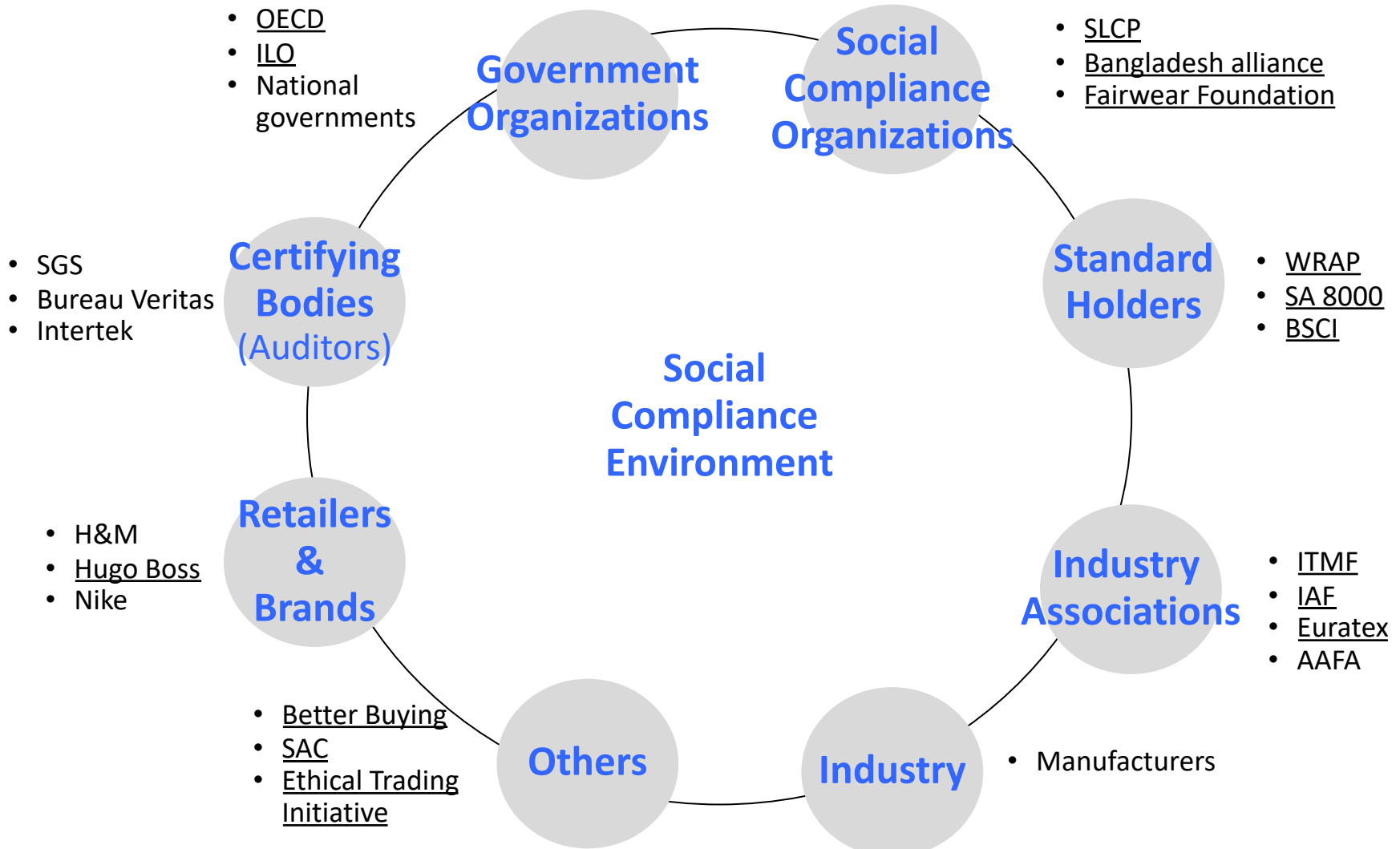
ITMF and IAF have been working together since 2017 to address audit and standard fatigue in the textile and apparel industries..



The International Apparel Federation (IAF) was founded in 1972 and unites apparel brands, manufacturers and their associations. Our member associations represent the apparel industries in close to 60 countries from all continents.

The International Textile Manufacturers Federation was founded in 1904 with members in over 30 countries that represent around 90% of global textile production from various segments of the industry such as the fibre, textile machinery, chemical and (home) textile companies.

The social compliance sector is very complex and has many different players. We have no interest in re-inventing the wheel..



Currently social compliance practices in the textiles and garment industries are redundant, confusing and unnecessarily complicated, leading to increased costs and dilution of focus

Audit Fatigue

Multiple inspections

When the same supplier is undergoing multiple audits by different retailers, brands, standard holders or other entities, resulting in a multitude of inspections, disruptions and audit costs.

Standard Fatigue

Conflicting requirements

When suppliers have to accommodate differing and often conflicting requirements from their clients resulting in – often unnecessary - high costs of adaptation.

Objective

To reduce audit and standard fatigue as well as improve workers conditions through the consolidation of the social compliance sector

We take Walmart as the example of what we would like to achieve

- **Walmart shifted to 3rd party audits for social compliance**
- **They scrutinized 8 social compliance programs across different industries:**
 - Best Aquaculture Practices (BAP)
 - Business Social Compliance Initiative (BSCI)
 - Electronic Industry Citizenship Coalition (EICC)
 - International Labor Organization – Better Work
 - International Council of Toy Industry CARE
 - Sedex Members Ethical Trade Audits (SMETA)
 - Social Accountability International (SA 8000)
 - Worldwide Responsible Accredited Production (WRAP)
- **Suppliers can select any one of the above 8 programs**
- **Walmart will continue to carefully review the audits and ensure that companies are compliant through those 3rd party audits**

Our approach has to present a viable alternative for brands and retailers with the purpose of protecting labor rights. The social compliance programs we want them to switch to must also contribute to the objective we have set. We are asking all standard holders to:

1. Ensure quality & comprehensiveness

Social compliance standards to be complete and universal

2. Consolidate requirements

Eliminate redundancy and confusion in Social Compliance standards

3. Improve quality and integrity of audits

Ensure that data collection is done properly and accurately

4. Reduce number of audits

Minimize cost to the sector and redirect resources to improving practices

We propose that this translates into the following 4 criteria to qualify standard holders (3rd party, brands, retailers)

1. Ensure quality & comprehensiveness

1. Compliance with OECD Due Diligence

Following the OECD guidelines for due diligence in textiles and footwear

2. Consolidate requirements

2. Work w/ other standard holders

Willingness to work with others to harmonize or mutually recognize audits

3. Improve quality and integrity of audits

3. Certified bodies for auditors

Used of certified auditors under a recognized certification program

4. Reduce number of audits

4. Collaboration with SLCP

Commitment to use the SLCP platform

We have met with various stakeholders in the Social Compliance world..



The feedback from all our meetings has been largely consistent..

1. There is a need to harmonize

Our initiative comes to fill a clear and present need

2. Wholesome approach - prefer to avoid audits

Organizations prefer to direct their resources to improvement and training

3. Our criteria can be limiting

Concerns about committing to our criteria as it is right now

Target

Harmonize some of the basic practices in the industry without compromising the integrity or methodologies of the various standard holders, using existing initiatives rather than re-inventing the wheel.

We would like to establish a working group to work jointly focus on the development of the industry globally

1

HARMONIZE

To achieve the target together with like minded organizations and standard holders:

- Establish the criteria
- Work towards meeting the criteria
- Measuring and communicating progress

2

EXPAND

Bring brands and retailers on board through directing them to a reliable alternative to own audits

Or

Working with them to harmonize social compliance function in line with established criteria

A periodic research conducted by the industry to measure real efforts to reduce audit and standard fatigue as well as create transparency and thereby maintain pressure on the process and on ourselves

- **ITC is enthusiastic and willing to work with IAF and ITMF to develop a working plan for this research**
- **IAF and ITMF envisage that the research covers:**
 - **Measuring extent of audit and standard fatigue**
 - **Monitor progress made by standard holders (3rd party and brands' and retailers' with proprietary standards).**
 - **Progress to be measured against the criteria**
- **Target to involve existing global research or existing research infrastructure.**