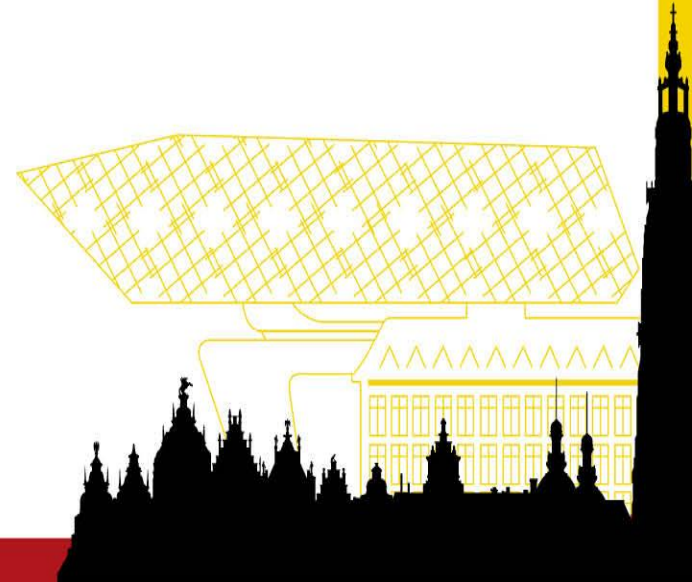


**IAF digital 'pre-convention' event**

**[www.iafconventionantwerp.com](http://www.iafconventionantwerp.com)**



# Standard Convergence Initiative

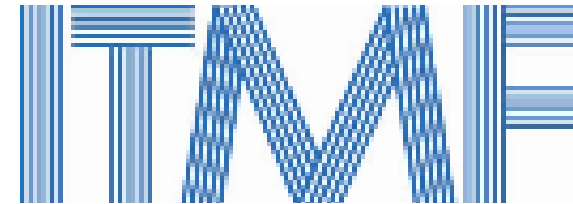
by



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**OECD Meeting**  
February 2020

**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.

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.

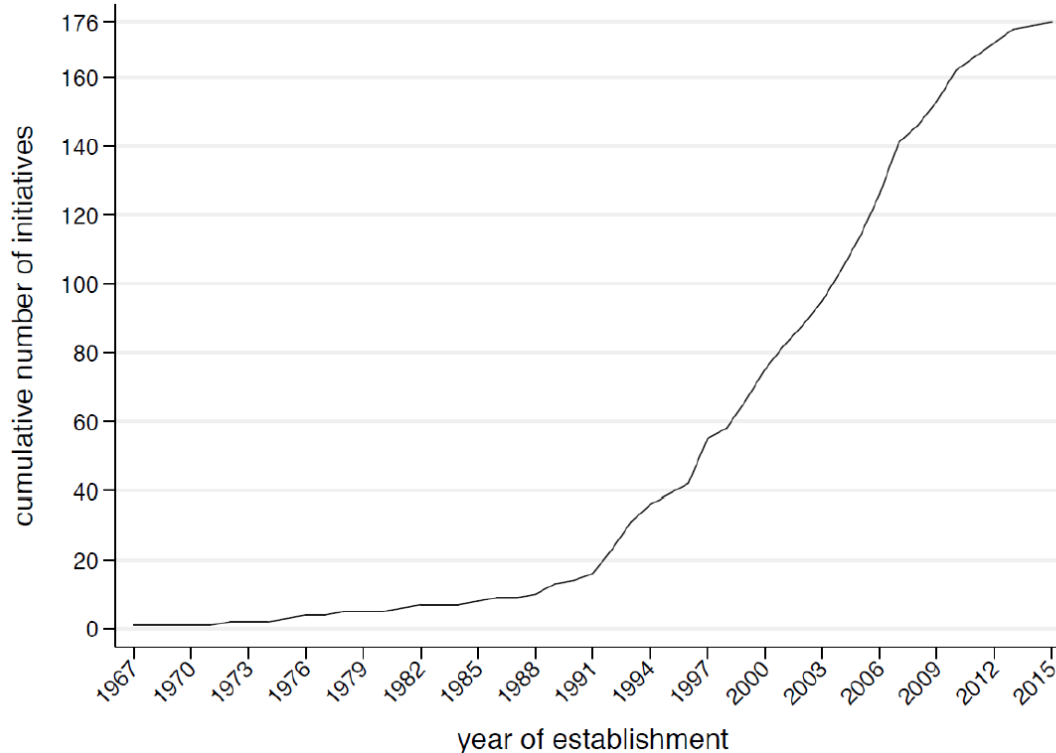
### **Standard Fatigue**

**Conflicting requirements**

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

# Evolution of Voluntary Sustainability Standards

*The emergence of new standards has been closely related to the developments in the international sustainability agenda, such as:*



- *United Nations, Rio 1992*
- *Kyoto Protocol 1997*
- *Globalization of Trade*
- *Information technology*
- *Changing consumer preferences*
- *Competition between market players*
- *Shifting responsibilities between private / public sector*

**Source:** International Trade Centre and European University Institute (2016). *Social and Environmental Standards: Contributing to More Sustainable Value Chains*. ITC, Geneva.

## 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 3<sup>rd</sup> 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 3<sup>rd</sup> party audits**

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 guidance and ILO fundamental conventions**

2. Consolidate requirements

**2. Willingness to harmonise standards**

Willingness to work with others to harmonize or mutually recognize audits

3. Improve quality and integrity of audits

**3. Auditors certified internationally**

Use of certified auditors under a recognized certification program

4. Reduce number of audits

**4. Use existing platforms for conducting audits**

Use data that is already out there to avoid double auditing.



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



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 working 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 (3<sup>rd</sup> 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.**