

Explanatory note: Revised human rights section for the Preferred Fibers and Materials Matrix

1.1 Introduction

Textile Exchange (TE) is currently revising the criteria it uses to assess standards systems’ human rights performance in the Preferred Fibers and Materials Matrix (PFMM). Working with Ergon Associates, a London-based human rights & business consultancy, TE has developed a draft human rights criteria for the PFMM and it invites stakeholder feedback from **Monday 13 March 2023 to Wednesday 29 March 2023**.

1.1.1 About the PFMM

The PFMM is available to TE members and helps them compare raw material standards and certification programs (‘standards systems’) across a range of criteria, including human rights. The intention of the tool is to help inform brands’ sourcing strategies and move the industry to source from stronger performing accreditation schemes.

The PFMM uses following common overarching framework to classify standards programmes according to their maturity: Baseline, Foundational, Improved, Progressive or Transformational.



1.1.2 Purpose of the PFMM: human rights

The purpose of the PFMM human rights criteria is to assist brands in developing strategies or approaches for human rights due diligence (HRDD) in relation to upstream/production tiers of textile supply chains. By indicating which initiatives carry greater strengths in relations to salient risks, the tool can indicate how companies could enhance their HRDD efforts by using and engaging with more developed, more mature standards systems.

1.2 About the Human Rights section in the PFMM

1.2.1 Overarching principle

The human rights criteria are intended to measure the strength of different standard systems in relation to key aspects of achieving respect for human rights. Respect for human rights is defined as performing effective human rights due diligence, which is the responsibility of standards users as well as other actors in the value chain. Certification can support key elements of human rights due diligence and the PFMM human rights criteria evaluates the maturity of standards systems on the extent to which they do. At the same time, it is important to note that under this approach, even current best practice among certification and standards systems in relation to human rights

will still be lower than the standard of effective human rights due diligence in light of the reported limitations of these systems. Therefore, as designed, it is not foreseen that any standard system will achieve 100% of achievable points.

The PFMM will make clear that standards users are expected to play a role at each stage of human rights due diligence and should not use certification as a substitute for direct engagement at any stage.

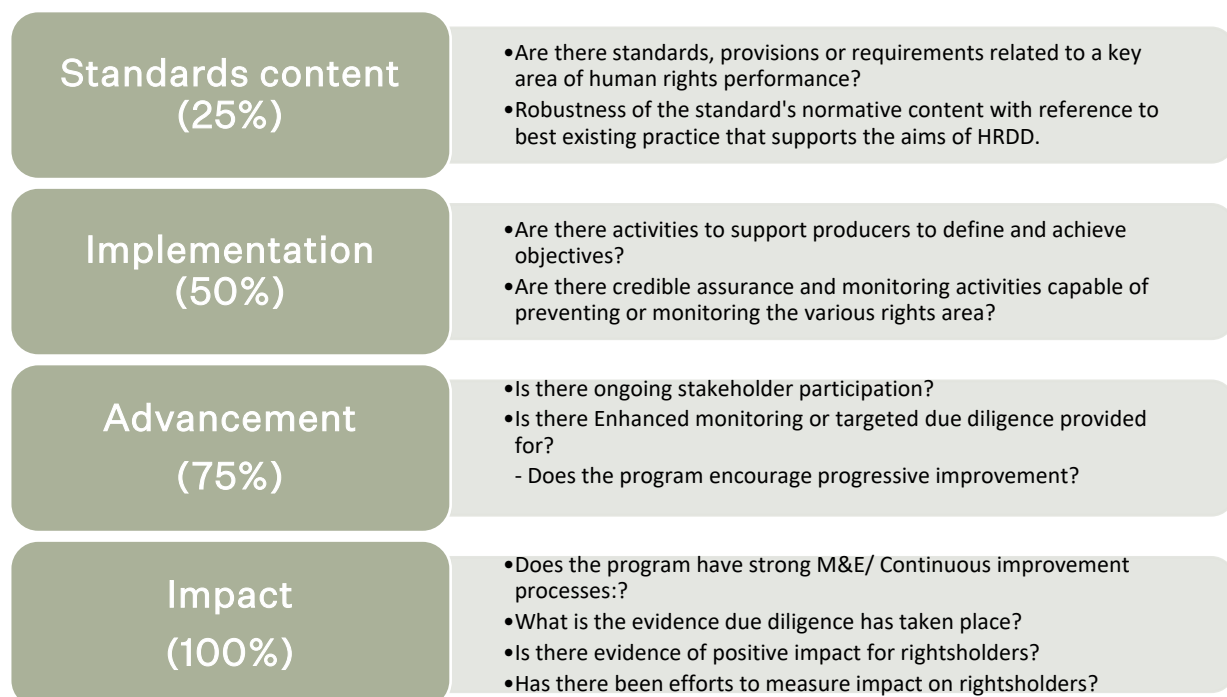
1.2.2 Tool scope

The revised tool considers standard system’s performance on human rights across the following 12 indicator. The themes and structure are aligned with international human rights norms, including: UNGPs, International Bill of Human Rights and ILO Core Conventions which are relevant to standards systems operating in fiber supply chains.

- | | | |
|---------------------------------|-----------------------------------|--|
| 1. Wages and working conditions | 5. Occupational Health and Safety | 9. Right to democratic participation |
| 2. Forced Labour | 6. Livelihoods/ producer income | 10. Enabling environment for human rights realization* |
| 3. Child Labour | 7. Indigenous peoples rights | 11. Grievance and remedy |
| 4. Freedom of Association | 8. Land rights | 12. Non-discrimination and prevention of GBVH |

1.2.3 Performance bands

The human rights indicators are assessed across 4 criteria bands, which reflects the existing PFMM design framework. This means there is a set of criteria for each of the rights categories above which reflect the various components of effective performance towards supporting company HRDD efforts.



1.2.4 Scoring system

There are multiple criteria within each 4-point band for each right. The number of criteria vary depending on human right and performance band. This is because there are different sets of activities which reflect strong human rights performance depending on the human right in question.

Each criterion represents an even number of possible points within each band. No weighting is given to one aspect over another.

There are a maximum of 25% points within each 4-point band (corresponding to the Standard>Implementation>Advancement>Impact framework), totalling to 100% of the possible score.

For all groups of criteria within the human rights tool section, selection is multiple choice, meaning the more criteria which are met, the higher the points earned. For instance, if 3 out of (an illustrative) 5 criteria for a 25 pt band are answered, 15 points are earned.

Some criteria are pre-requisites, meaning these must be satisfied for the standard program to be eligible to earn points in the next highest category (*e.g. from 'implementation' to 'advancement'*). Where a box is highlighted yellow or orange, this indicates it is a pre-requisite and a standards system can only become eligible to earn points in the next highest criteria band if this criterion is satisfied.

Boxes shaded orange are criteria that relate to grievance mechanisms. For this to be answered, the program must earn at least 50 points on the stand alone 'Grievance and Remedy' indicator. Grievance mechanisms are included across multiple rights indicators because having effective grievance mechanisms is a key feature of implementing and/or advancing many human rights. Therefore, the implicit extra weighting given to grievance in the tool is intentional.

1.2.5 Assumptions and design principles

Based on a mix of desk-based review of existing research and leading practice as well as stakeholder consultation, the revised human rights section was designed using the following design principles and assumptions:

The criteria are defined with reference to best practices within standards systems in relation to specific aspects of human rights.

The criteria aim to reflect, as a whole, a comprehensive package of measurable indicators that reflect strong human rights performance by standards systems for each human right, across each 'maturity' performance band (discussed above).

The criteria is designed to assess standards systems operating across a diverse range of settings including industrial, large farms and small producers, and criteria apply where applicable given the scope of the standard. These scope delineations are included in the draft tool xls in column D

The indicators need to be measurable to enable scoring. This requires that the selected criteria be commonly applicable across different standards and production settings. The tool recognizes there may be multiple ways to achieve the same standard of performance. This would be reflected in 'supporting details' next to each criterion.

There is no distinction in scoring dependent on whether the standard criteria are minimum core vs. continuous improvement requirements.

It is envisioned that standards systems will be directly compared with those in the same textile/material category (e.g. cotton) rather than across textiles or materials.

There is a separate process to review elements of overall program integrity and governance. This is being reviewed separately. It will cover elements such as governance structure, credibility of assurance systems and quality of monitoring, impact and learning systems. The human rights section and program integrity section are expected to cross reference each other.

1.2.6 Data sources

The Tool has been designed to enable scoring from a variety of data sources including:

Program systems, governance and resource documents (available on website)

(Some) External resources and third-party sources for verification as needed.

1.2.7 Challenges related to data availability and measurability.

We have identified some early limitations with the tool related to the dependency on locating material available publicly about standards systems that is measurable consistently. There are differences in program configuration, scope of activity, and terminology across standards which could affect their comparability.

This limitation will be addressed through preparing guidance for persons conducting research to complete the tool. However, feedback from reviewers on how to mitigate this risk is welcomed.

1.2.8 Next Steps

Textile Exchange is inviting stakeholder feedback on the revised human rights criteria (the tool attached as an .XLS spreadsheet) from Monday 13 March 2023 to Wednesday 29th March 2023.

Following the consultation process, Textile Exchange will review and integrate feedback into the Tool. It is envisioned that the revised human rights criteria will be finalised in April 2023.

The revised human rights criteria will be used to assess standards systems in the next iteration of the PFMM, which is expected to be released in Q3 of 2023.