

PFMM Guidance: Human Rights Indicators

Disclaimer

Although reasonable care was taken in the preparation of this document, Textile Exchange and any other party involved in the creation of the document hereby state that the document is provided without warranty, either expressed or implied, of accuracy or fitness for purpose, and hereby disclaim any liability, direct or indirect, for damages or loss relating to the use of this document. This is a voluntary methodology and is not intended to replace the legal or regulatory requirements of any country.

Copyright

This publication is protected by copyright. Information or material from this publication may be reproduced in unaltered form for personal, non-commercial use. All other rights are reserved. Information or material from this publication may be used for the purposes of private study, research, criticism, or review permitted under the Copyright Act 1976.

Acknowledgements

With special thanks to Ergon Associates for their collaboration in the drafting of the human rights impact area for the PFMM V3.0.

Table of Contents

Overview	4
How to use this guidance	4
Terminology	4
What issues does the PFMM human rights section cover?	5
How are standards assessed and scored?.....	6
Maturity framework: How are standards evaluated?	6
What does each criteria band assess?.....	6
Approach to scoring within each indicator.....	8
How to apply progressive scoring?.....	8
Overall scoring for the human rights section.....	9
How the tool is scored	9
When do certain human rights indicators apply/not apply?.....	9
What are the outcomes of scoring from this new development?	9
Special indicators.....	10
Grievance.....	10
Enabling environment.....	10
Data sources.....	11
Where to look for data for different performance bands.....	11
Supporting materials	12
Scoring process	12
Proposed step by step process.....	12
Useful guidelines for scoring.....	13

Overview

How to use this guidance

This guidance has been prepared to assist in the completion of the assessment and scoring of standard's human rights components as part of the revised PFMM V3.0.

This guidance focuses on explaining how to apply scoring to the overall PFMM human rights indicator framework.

In addition, specific guidance for each indicator is found in the 'Supporting detail' section of the HR indicator excel spreadsheet.

Terminology

Certified producer, operation, or unit	The entity that is being certified according to a standard (e.g. factory, farm, small-holder etc).
Gender sensitive	Policies and programs that take into account the particularities pertaining to the lives of both women and men, while aiming to eliminate inequalities and promote gender equality.
Large producer	A large producer is a type of certified producer/operation. It refers to either a factory/industrial setting, or a large farm or similar environment. It does not include a group of small-holder producers who are certified together through a co-op or similar organisation.
Offsite	Refers to outside the physical location of the workplace.
Piece-rate	Piece rate pay occurs when workers are paid by the unit performed (e.g., the number of kilos produced/working day) instead of being paid on the basis of time spent on the job.
Standard System	Standard system refers to the body or organisation responsible for the standard (e.g., Fairtrade, Better Cotton Initiative).
Small-holder producer/small producer	An individual farmer/producer who owns or operates a farm.
Verifier	The person responsible for assessing a producer's accreditation or compliance with a standard. In many standard systems, this person will be described as an auditor.
Verification	The process of assessing a producer's compliance with the standard. Verification may occur at the initial accreditation stage, or later as part of ongoing monitoring for compliance.

What issues does the PFMM human rights section cover?

The 13 PFMM human rights indicators are designed to evaluate a standard's level of performance on human rights. The PFMM covers human rights categories that are most commonly in scope for sustainable textile standards.

Labor rights	<ol style="list-style-type: none"> 1. Wages and working conditions 2. Forced labor 3. Child labor 4. Freedom of Association 5. Occupational health and safety 6. Non-discrimination
Economic & Social rights	<ol style="list-style-type: none"> 7. Livelihoods: predictability and stability of income 8. Indigenous peoples and customary land rights 9. Land rights
Civil & Political Rights	<ol style="list-style-type: none"> 10. Community consultation and engagement (right to participation) 11. Enabling environment for human rights realization
Remedy	<ol style="list-style-type: none"> 12. Grievance and remedy
Gender-based discrimination and prevention of GBVH	<ol style="list-style-type: none"> 13. Prevention of gender-based discrimination, violence, and harassment

The human rights categories and indicators are based on international human rights norms, including: the United Nations Guiding Principles on Business and Human Rights, the International Bill of Human Rights (UDHR, ICESCR and ICCPR), and the ILO Core Conventions. The indicators often aggregate multiple human rights (e.g., wages and working conditions, livelihoods) or cut across multiple rights (e.g., grievance and remedy). On the whole, this framework represents all internationally recognized human rights considered to be:

- Potentially impacted by activities involved in the production of one or more fibers used in textile/fabric production AND
- Assessed as being within the capability of private, voluntary standards to influence.

How are standards assessed and scored?

Maturity framework: How are standards evaluated?

Each of the human rights indicators are assessed across four criteria bands, corresponding to the Standard > Implementation > Advancement > Impact framework. The human rights indicators use this framework to enable evaluation of a standard system’s implementation (e.g., through processes, monitoring, programs) and impact (e.g., measurable improvement) in each human rights indicator area.

This framework is consistent with the PFMM design framework (Baseline > Foundational > Improved > Progressive > Transformational) and operate in the same way (e.g., assigning an overall score).

Level	0	1	2	3	4
Banding	0-19%	20-39%	40-59%	60-79%	80-100%
PFMM Banding	Baseline	Foundational	Improved	Progressive	Transformational
Human Rights Indicator Banding	No content	Standards Content	Implementation	Advancement	Outputs, outcomes, and impact

Progressive – minimum criteria must be met in order to



What does each criteria band assess?

Each criteria band represents a stage of achievement in respective standards systems’ programming and activities related to respect for human rights. Within each band, there are multiple criteria that represent consistently measurable demonstrations of achievement at the corresponding level of maturity. All of the criteria within a band together reflect a holistic package of qualities a standard should have at the level of maturity the criteria band represents.

The below table explains the criteria bands used in this tool. Evaluators can use this rubric as a guideline regarding what key questions the bands are meant to answer. This can be useful for interpreting input materials where there is a question or doubt about whether a criterion can be satisfied.

Human Rights Indicator Banding	Scoring	Explanation
Standards Content	25%	<ul style="list-style-type: none"> • The ‘Standards Content’ band assesses the robustness of a standard’s provisions or requirements related to a key area of human rights performance. • The benchmark for meeting 25% is set at standards in international human rights frameworks (e.g., UNGPs, ILO Core Conventions).
Implementation	50%	<ul style="list-style-type: none"> • The ‘Implementation’ band assesses the standard’s basic level of implementation in respect of a human rights indicator. The focus is on the activities, projects, guidance, assurance, and monitoring activities that implement the standard’s content. • The implementation band seeks to answer the following questions: <ul style="list-style-type: none"> ○ Are there activities to support producers to define and achieve objectives? ○ Are there credible assurance and monitoring activities?
Advancement	75%	<ul style="list-style-type: none"> • The ‘Advancement’ band assesses the standard’s implementation of a HR category area beyond the activities expected at the ‘implementation’ level (e.g., best in class). The requirements in the ‘advancement’ category are also often aligned with Human Rights Due Diligence (HRDD) requirements. For example: <ul style="list-style-type: none"> ○ Is there ongoing stakeholder participation? ○ Is there enhanced monitoring or targeted due diligence? ○ Does the standard system encourage progressive improvement?
Outputs, Outcomes, and Impact	100%	<ul style="list-style-type: none"> • The ‘Outputs, Outcomes, and Impact’ band focuses on whether the program has a process for measuring outcomes, and also whether there is evidence of a positive impact. For example, <ul style="list-style-type: none"> ○ Does the standard system have strong M&E/Continuous improvement processes? ○ Is there evidence of positive impact for rightsholders? ○ Have there been efforts to measure impact on rightsholders?

Approach to scoring within each indicator

Points (max 25)
3.12

The tool’s approach to scoring utilizes a hybrid of ‘multiple choice’ and ‘progressive’ indicator types found in the PFMM methodology document available at pfmm.textileexchange.org.

There are a maximum of 25 percentage points within each 4-point band, totalling to 100% of the possible score. Where multiple criteria exist for one band, the scoring is divided equally between these. For example, if a band has two criteria and therefore each is worth 12.5 points. In the tool, we have included the number of points each criterion is worth. All criteria are weighted evenly.

How to apply progressive scoring?

All criteria included across each indicator and within each performance band are multiple choice and points are allocated based on the number of evenly weighted criteria within each category. However, when scoring, a standard system can progress to the next criteria band only where it satisfies mandatory pre-requisite criteria. Where a box is highlighted yellow or orange in the tool, this indicates it is a pre-requisite criterion for advancement.

Examples of pre-requisite criteria as they appear in the Excel spreadsheet

There is a requirement that certified producers **not employ AND not directly or indirectly benefit** from forced labour as defined in ILO 29 and ILO 105 and ILO protocol 29 within the certified operation, and (where the standard applies) in the production of key feedstocks and raw materials.

The program provides for **secure channels for workers to raise grievances and concerns** and access remedy

In this way, the Human Rights impact area indicators diverge from other impact areas in that a gating function is used to ensure certain levels of engagement and compliance are met in one banding prior to being able to progress to the next. This compliments the multiple-choice approach that supports the gating function by giving organizations flexibility to further engage in human rights issues that arise within different categories.

Overall scoring for the human rights section

How the tool is scored

All indicators receive equal weight and therefore a simple total of points received across all indicators produces a human rights score for each standard system, provided they apply (see below).

When do certain human rights indicators apply/not apply?

The human rights indicators have been designed to assess standards systems operating across a diverse range of settings including industrial, large farms, and small producers. Given that human rights risks vary across settings (e.g., industrial settings vs. small producers), all the indicators may not be relevant for each standard.

In some circumstances, the ‘wages and working conditions’ or ‘livelihoods: predictability and stability of income’ indicators will not be scored.

Scenario	Human rights indicators that do not apply
Where the standard applies to industrial/factory or large producers	The livelihoods: predictability and stability of income indicator is not scored. This is due to the fact that this indicator is focused on assessing income improvement opportunities for small producers only. Other indicators apply for industrial / large producers. See below.
Where the standard applies to small-holder or own account workers (e.g. nomadic herders).	The wages and working conditions indicator is not scored. This is due to the fact that this indicator is focused income and working conditions for only industrial/factory or large producers.

Please note: if the standard applies to both industrial/factory, large producers, AND small holder/own account workers, then all indicators are scored.

Where a human rights indicator is turned off for a given standard system, it will reduce the overall number of indicators from 13 to 12. This means that when assigning an overall total score for the human rights indicators, the percentage weighting for each indicator will need to be revised. For example, if scoring against all 13 indicators, each indicator accounts for 7.7% of the 100% maximum scoring. However, if only 12 indicators are scored, then each indicator accounts for 8.3% of the 100% maximum scoring.

What are the outcomes of scoring from this new development?

Human rights indicators resulted in generally lower scores and levels than previous versions of the PFMM. This was due to the raised ambition and specificity of the new criteria and the demonstration of a closer representation of standard system performance.

Special indicators

Grievance

The ‘grievance and remedy’ indicator functions slightly differently to the other indicators. In addition to acting as its own indicator, it is also cross-referenced throughout the tool in criteria found across many of the other indicators. These will appear as box at right.

The program provides for **secure channels for workers to raise grievances and concerns** and access remedy

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.

All grievance indicators are mandatory pre-requisite criteria (gating function), meaning they must be satisfied along with all other pre-requisite category within a certain indicator/criteria band in order for the respondent to become eligible to earn points from the next highest criteria band.

To earn points for each grievance indicator, the standard system must have scored at least 50% in the grievance and remedy indicator.

Enabling environment

The “enabling environment” indicator contains only three criteria across two bands: Implementation and Advancement. This indicator reflects a growing stakeholder expectation that standard systems closely consider whether and how the standard should function in known high risk countries and regions. It is currently rare for standard systems to explicitly have this as a process.

The first ‘implementation’ criterion is progressive, meaning it must be satisfied to advance to the next two questions and is worth 50% of the total points in the indicator – this focuses on whether there is a defined process OR there is evidence of considered decision-making related to the wider country or regional-level operating environment as it relates to human rights.

Data sources

The Human Rights Indicators have been designed to be completed based on publicly available information. It is envisioned that the main data sources will comprise of information found on the standard system’s website. After assessments were conducted using publicly available information, standard systems were given the opportunity to respond and leave comments based on the initial result of the Textile Exchange-conducted assessment.

Where to look for data for different performance bands

The following table provides guidance on the types of data sources that are likely to contain information for each performance band. Additional guidance is also provided in the Supporting details column of the tool. Please note this is an indicative guidance, as the information available and where it is located differs across standard systems.

Human Rights Indicator Banding	Example Data Sources
Standards Content	<ul style="list-style-type: none"> • Standard • Any supporting or guidance document on the standard may act as a useful guide. However, for scoring purposes, the standard itself (rather than supporting guide) must meet the criteria. • Policies governing specific topics (e.g., Health and Safety, Safeguarding, Grievances)
Implementation	<ul style="list-style-type: none"> • Standard • Any supporting or guidance document on the Standard • Standard’s website • Assurance Code of Conduct • Requirements or guidance in relation to audit methods or personnel qualifications • Any guidance materials for producers • Annual Report
Advancement	<ul style="list-style-type: none"> • Standard • Any supporting or guidance document on the standard • Standard’s website • Assurance Code of Conduct • Auditor Requirements • Any guidance materials for producers • Annual Report • Any implementation or evaluation reports
Outputs, Outcomes, and Impact	<ul style="list-style-type: none"> • Standard’s website, particularly on specific human rights areas (e.g. living incomes) • Impact Evaluation Reports • Sustainability Reports • Monitoring and Evaluation program requirements and documents • Third party sources such as ISEAL’s Evidensia and Community Members pages.

Supporting materials

Analysts may also review other publicly available certification scoring websites for initial guidance and an overview of a standard. The following resources may assist analysts:

- [ITC Standard's Map](#) allows users to filter by human and labour rights, due diligence, gender, and sustainable business categories. This resource tends to be focused exclusively on the content of the standards.
- [ISEAL Community Members](#) provides information on standards, including how they comply with ISEAL's Standards, Assurance, and Impacts Codes.
- ISEAL's [Evidensia](#), which collates research and reports on certification systems.

Where using supporting materials, please check that it is the most current version of the standard and supporting/guidance material.

Scoring process

Proposed step-by-step process

For each new standard assessed using this rubric, the following approach was taken:

1. Gather key resources: Scan the website of the standard and look for useful materials. It may be helpful at this stage to also scan third party websites such as 'Evidensia' (above) to see if there is relevant material about the standard's work on human rights.
2. Determine scope of the standard – does it apply to an industrial context or is it an exclusively smallholder/nomadic context? This will affect which indicators potentially apply.
3. Scan the standard/production requirements to identify which indicators can be scored zero, based on the standard not having any provisions on one or more rights areas. Note: this will not apply to 'enabling environment' as the indicator does not relate to production level standards.
4. Begin with the grievance indicator as the progressive logic of all other indicators will depend on the outcome score for this (e.g., grievance questions are minimum pre-requisite criteria).
5. Proceed with scoring the standard indicator by indicator. Starting with the standards content section and moving through the bands, progressively. If a standard does not satisfy a mandatory pre-requisite criterion (gating function) (e.g., at the Implementation stage), then you do not need to look at scoring across the more advanced bands (e.g., Advancement or Impact). Once you reach a pre-requisite criterion which is not satisfied, total up the points from all

satisfied criteria in the indicator up to that point and that is the final score for that indicator.

6. Finally, total the final points from all the indicators and deliver a human rights score for the standard.
7. Send to the standard's owner for review and opportunity to provide/publish any additional supporting materials.

Useful guidelines for scoring

When scoring, it is helpful to keep the following in mind:

- Where standard systems cover multiple products/commodities, ensure that points are awarded where the implementation is for the commodity that is being scored for (e.g., cotton).
- Any supporting or guidance document on the standard system may act as a useful guide. However, for scoring purposes in the 'Standards Content' band, the standard itself (rather than supporting guide) must meet the criteria.
- There is no distinction in scoring dependent on whether the standard's criteria are minimum core vs. continuous improvement requirements.