	Info sheet : Social and ethical standards and product labelling schemes

Credible and accessible voluntary standards and certification schemes can be effective tools to bring about significant social and environmental changes to the societies and communities in which they operate. It is important that procurement managers are aware of these schemes and can evaluate their robustness and relevance if required to consider them as evidence during a procurement process.

It is important to distinguish between:

- **management systems standards,** which organisations can sign-up to and work towards. Participating organisations adopt minimum standards of business (for example minimum labour standards) and work towards improving their systems and approaches. These standards are often sector specific, for example Global e-Sustainability Initiative (GeSI, see below for more details) is a management systems standard for the Information and Communications Technology (ICT) sector. There are also management systems standards such as SA8000 that are applicable to agricultural or factory production sites in general.
- **product standards** often take the form of ethical product labelling schemes for consumer products. These tend to communicate standards in one particular area. For example, the Fairtrade Mark is focused on poverty alleviation and sustainable development whereas RugMark concentrates the elimination of child labour in the rug-weaving industry in South Asia. Certified products are audited against the specific standards of the certification scheme.

Procurement managers when considering evidence of participation in either a management system scheme or product standard scheme during the procurement process should take steps to understand the credibility and robustness of these schemes. Key criteria in determining robustness and credibility include the:

- degree of independence of the schemes governance. Are the organisations and personal responsible for overseeing governance arrangement of the scheme sufficiently independent to ensure objectivity?
- coverage of the minimum standards applied. Do minimum standards cover the same

issues as the purchasing organisation's labour standards commitments?

- robustness of auditing. Is auditing independent, regular and carried out by reputable organisations?

Some of the most widely known management systems standards and product standards:

Management systems standards

- **GeSI:** the Global e-Sustainability Initiative, was founded in 2001 to further sustainable development in the Information and Communications Technology sector. The members of the Supply Chain Working Group have developed a common Code of Conduct covering supply chain labour standards and identified a number of specific activities and tools. **www.gesi.org**

- **International Council of Toy Industries (ICTI):** ICTI is an International Trade Association representing toy manufacturers and brands. ICTI has developed the ICTI Care programme to promote ethical manufacturing in the toy industry supply chain worldwide. Its initial focus is in China, where 70 percent of the world's toy volume is manufactured. Its intent is to provide a single, fair, thorough and consistent monitoring programme for toy factories against the ICTI Code of Business Practices. **http://www.icti-care.org/**

- **SA8000:** The SA8000 Standard is an auditable certification standard based on International Labour Organisation (ILO) conventions, the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. SA8000 has been developed by Social Accountability International (SAI). SA8000 is a general audit standard covering labour standards for any agricultural or factory production site. It is regarded as one of the most stringent management systems certification standards in the area of labour standards and has been developed through multi-stakeholder engagement. Companies that operate production facilities can seek to have individual facilities certified to SA8000 through audits by one of the accredited 3rd party certification bodies. **www.SA8000.org**

- **WRAP (Worldwide Responsible Apparel Production):** WRAP is an independent, non-profit organisation dedicated to the certification of lawful, humane and ethical manufacturing of sewn products throughout the world. WRAP accredits independent audit bodies to monitor factories for compliance with fair labour standards. The WRAP Standard is a market-driven standard originally developed by the American

Apparel and Footwear Association. **http://www.wrapapparel.org/index.php**

Product standards

- **Fairtrade** is a strategy for poverty alleviation and sustainable development. Its purpose is to create opportunities for producers and workers who have been economically disadvantaged or marginalised by the conventional trading system. For a product to display the FAIRTRADE Mark it must meet international Fairtrade standards which are set by the international certification body Fairtrade Labelling Organisations International (FLO). These standards are agreed through a process of research and consultation with key participants in the Fairtrade scheme, including producers, traders, NGOs, academic institutions and labelling organisations. The Fairtrade Foundation is the independent non-profit organisation that licenses use of the FAIRTRADE Mark on products in the UK in accordance with internationally agreed Fairtrade standards. **www.fairtrade.org.uk**

- **Forest Stewardship Council (FSC)** is an independent, non-governmental, not for profit organisation established to promote the responsible management of the world's forests. Its primary focus is on responsible management of forests however, one of its founding principles is respect for international workers' rights. Independent FSC accredited certifiers certify that wood is produced according to FSC standards. **http://www.fsc.org/**

- **Rainforest Alliance** certification is a process that promotes improvements in agriculture and forestry. Its independent seal of approval provides assurance that goods and services are produced in compliance with strict guidelines protecting the environment, wildlife, workers and local communities. Rainforest Alliance offers third-party certification under the Rainforest Alliance Certified seal to forests and farms managed in ways that reduce environmental impacts and increase social benefits. The focus of activities is sharing best practice and promoting environmental improvements rather than labour standards. **www.rainforest-alliance.org**

- **RugMark** is a global, not-for-profit organisation dedicated to providing a better life for thousands of children working illegally in the rug industry across South Asia. The RugMark labelling initiative operates through a network of licensed rug exporters and importers. All licensed exporters and importers are charged a licence fee for the use of the labels. The fees generated are used to fund random inspections, and welfare, education and rehabilitation projects. **http://www.rugmark.org.uk/index.shtml**