

SSCI Benchmarking Assessment Report



Contents

- 1. Application Information 3
 - 1.1. Benchmark assessment team and date 3
 - 1.2. Benchmark assessment scopes 3
- 2. Executive Summary and Recommendations to the Steering Committee 4
 - 2.1. Result of the self-assessment review and the office visit 4
 - 2.2. Result of the public consultation 8
 - 2.3. Recommendation to the SSCI Steering Committee 8
- 3. Results of Assessment and Office Visit 9
 - 3.1. Time and location details 9
 - 3.2. Overview 9
- 4. General compliance, strengths and weaknesses 9
 - 4.1. Changes made to the Scheme following the benchmarking assessment 10
 - 4.2. List of findings – Self assessment and office visit 11
- 5. Results of the Public Stakeholder Consultation 13
 - 5.1. Executive summary 13
 - 5.2. List of findings – public stakeholder consultation 14

1. Application Information

1.1. Benchmark assessment team and date

Scheme Owner name(s)	BRCGS / BRC Trading
Scheme Owner name and address	BRCGS, second floor, 7 Harp Lane London EC 3R 6DP, GB
Scheme Owner name, email, contact number	BRCGS, enquiries@brcgs.com . Contact Fiona Humphries Fiona.humphries@brcgs.com , Phone +44.1737.769.680
Date of previous application (if applicable)	
Benchmark Leader name and contact details	Laurent Vonwiller, laurent.vonwiller@gl-gl.ch
SSCI Technical Manager name	Thomas van Haaren t.vanhaaren@theconsumergoodsforum.com
Observers name	Sairindri Christisabrina s.christisabrina@theconsumergoodsforum.com
Interpreter's name (if applicable)	-
Language (e.g., English or other)	English

1.2 Benchmark assessment scopes

SSCI Scopes of Recognition		Scopes of Recognition Applied For
AI	Processing and Manufacturing	YES
BI	Primary Production	NO
CI	At-Sea Operations	NO

2. Executive Summary and Recommendations to the Steering Committee

The SSCI self-assessment was completed between October and February 2021 in a series of video conferences. This process ended in February with most criteria considered fully aligned with some pending verification needed during the office visit. In early 2021, ETI/BRCGS witness audits took place or were scheduled in sites in Romania, Italy, Greece, Turkey and Great Britain. This provided the basis for two Office Visits in April, conducted as Remote Office Visits (ROV) due to the COVID-19 situation, focusing on the available BRCGS documents of the implementation of their requirements in audits. These ROVs provided a first overview of the application of BRCGS guidelines and rules through the audit firms and their control by the Scheme Owner (SO). Both SSCI scheme management and social Criteria were thoroughly discussed.

However, at this time, only a few reports were available, and the sampling of countries and audit firms involved was insufficient. So, as more audits were expected to come in the following months in the above-mentioned countries, it was decided to conduct a third ROV in July. This additional ROV allowed SSCI to gain sufficient insights on situations and risks in several countries, on different audit methodologies, and the performance of the audit firms. In both cases, scheme management and social criteria were discussed. The Benchmark Leader (BL) asked that one of these audits needed to take place in a facility with a high-risk profile.

The discussion of audits results, reports, and audit documents in the third ROV convinced the BL that BRCGS and its policies, procedures, and performance are strong yet flexible enough to guarantee a fair and well-founded assessment of a site, adequate in detecting non-conformities (NC), and issuing certificates only when conformity with the standard has been established.

It appeared also that BRCGS is controlling the competencies and performances of the soon to be accredited audit firms. An Accreditation Project is currently being led by the United Kingdom Accreditation Service to accredit the participating audit bodies to ISO 17021. This happens in sites with quite different situations and risk profiles. We expect more audits to be conducted in high risks countries and the BL is confident that BRCGS can control for all situations and that audit firms apply the methodology with a high level of professionalism. This can be examined and assessed in future monitoring of continued alignment assessment.

2.1. Result of the self-assessment review and the office visits

The results of the self-assessment were discussed in a series of video conference calls between October 2020 and February 2021. Relevant documents on both scheme management and social criteria were submitted by the scheme owner and included in the evaluation. In the first round, though most criteria were assessed as fully aligned, some

points were selected to be discussed more in-depth. Additional documents or changes in existing documents were required, submitted, and discussed. In February 2021, the self-assessment process could be concluded with most criteria considered fully aligned with further verification needed during the office visit.

At the start of 2021, the SO informed SSCI that witness audits scheduled in Romania, Italy and Great Britain were to be carried out by three certification bodies. This is why, two ROVs were conducted on April 23th & 27th 2021 based on the available experiences and documents, with the following results:

Scheme Owner Governance, Organisational chart, scope, objectives, integrity program:

BRCGS (registered at the UK’s Companies House under “BRC Trading”) is a thoroughly structured company where the responsibilities of each person are defined. At the same time, “multi-competence teams” work together to cover interfaces such as those encountered in the standard development. Position & responsibilities as shown in organigrams were discussed. Competencies appeared to be clearly defined and the decision process clear.

The process development is being carried out by the contact person and other colleagues under supervision from the Technical Advisory Committee (TAC), made up of external parties who are Ethical Trade & Responsible Sourcing (ETRS) specialists, the BRCGS Senior Leadership Team SLT, who then reports to the three International Advisory Bodies (IAB) for Europe, the Americas and in Asia-Pacific. The IABs are made up of senior representatives from the biggest retailers in the world including Walmart, Tesco, Ahold- Delhaize, Waitrose, and others.

▶ **Appeal and complaints procedures**

These are visible access through the homepage of the SO.

▶ **The BRCGS project of an Ethical Trade Standard**

It was started at BRCGS several years ago. Stakeholders of various types (such as producers, retailers, audit firms, etc.) were involved in the standard development, then developed step by step up to the application for SSCI benchmarking submitted in May 2020. The project continued then with the implementation phase, as the first audits started at the beginning of 2021. Stakeholders of various types (such as producers, retailers, audit firms, etc.) were involved in the standard development.

▶ **Relations with audit firms and accreditation bodies (AB):**

The agreements with various audit firms have been checked at random. Procedures, guidance to audit firms and Coordination with UKAS (in the form of a pilot accreditation project on Ethical Trade) appear solid. While a British audit firm is already accredited with UKAS, but not yet for social accountability, others are accredited with the national ABs (Italy) including social accountability.

▶ **Audit Outcome, certification:**

Audit reports, auditing methodology, and audit witnessing in this initial phase were evaluated and discussed. The submitted audit reports were well-structured and complete. The checklist template is established by BRCGS and covers the whole range of issues required by the SSCI criteria.

Sensitive points such as scope, site definition, sampling of worker’s interviews, anonymity, reporting, review of reports before certification, knowledge of ILO conventions and local labour laws (etc.) are dealt with and clearly regulated. From the discussed reports, it appeared that the three audit firms fully comprehend tools and procedures. Competence and experience of auditors were well documented. BRCGS is reviewing the performance of the audit firms in this important initial phase

Recommendation: The Benchmark Leader suggests that the standard review not only legal requirements from the central governments but also at local Collective Bargaining Agreements (CBAs) which in many countries give the local legal base wage for conformity in specific parts of the countries. For instance, minimal salaries for various worker categories, etc. All points are based on national laws, but some go further than the law and are mandatory in the province, some address issues that are not considered by the law. This would ensure continuing alignment with the criteria - SSCI 9.03 (Social): The standard shall require that no employment arrangements are used in order to avoid obligations to workers under applicable national labour and social security laws and SSCI 9.04 (Social): The standard shall require that compensation for standard working hours meets or exceeds applicable legal minimum wages, industry standards or collective bargaining agreements (where applicable).

▶ **Step one / step two audits**

The auditing process starts with initial auditing of a site at “stage one” followed by “stage two” (in line with the requirements of ISO 17021 for “initial certification audits”) with a clear definition of the time frame between the two stages. In stage one audits, “areas of concern” are identified - it is a readiness audit to establish that the site has addressed the entire scope of the ETRS Standard and has a management system in place.

Stage one may be conducted on-site or remotely and is decided by the audit firm based on the information provided by the site on the application form, mandatory self-assessment questionnaire and the requested management system documentation. At the closing meeting, the auditor outlines the areas of concern they have found, allowing the site to consider and address them before stage two.

The site then has up to 6 months to complete its stage two audit which is on-site, unannounced and includes worker interviews. If the auditor finds major or minor non-conformities, the site has 90 days to close them. However, if the auditor finds a critical non-conformity then the audit will be uncertificated and the site would have to go back to the beginning of the Initial Certification Audit (e.g. Stage 1). If the site closes all

major or minor non-conformities within the 90 days' deadline, then the audit firm may award certification if the Independent Certification Reviewer is happy with the evidence provided by the site that the issues are closed. The site would then enter an audit program of surveillance (in years 1 and 2) which monitors conformity with the standard and then recertification (in year 3) to reconfirm certification.

▶ **General impressions after ROV one and two**

- ▶ After the first ROV, requirements on scheme management and social appeared as aligned in the few audits conducted at this initial phase.

Reports show a systematic approach, but a remark was that the content looks sometimes formal. Questions were raised about the weight on the quality of the HR-Management System for Human Resources. For instance quality and efficiency of training or procedures to avoid discrimination (etc). At stage 2, very important indicators at quality and efficiency level can be abstracted from interviews with management and workers. Benchmark Leader's Note: This is not a shortcoming but a recommendation.

▶ **Follow up in ROV three**

The Technical Manager and the BL were aware of the fact that BRCGS might be confronted with possibly difficult situations later - in high-risk sites, so after ROV 2 at the end of April 2021, it was decided to require a broader sampling, looking also at audits that were scheduled or planned at this stage, performed by various audit firms - to conclude on the calibration between them. In addition, it was decided to include one country outside of Europe – Turkey.

▶ **Representative sampling**

During ROV three, more audits had been performed by three audit firms in five countries, so enough documents could be submitted and looked at to allow a more comprehensive view of the whole ETI-BRCGS system. All reports and documents seen and discussed provided a good sense of the situation of all audited sites, with important areas of concern identified in some cases. All SSCI requirements on scheme management and social criteria appeared to be fulfilled.

▶ **Calibration**

One important result is the impression that all audits performed by different audit firms in different countries were following the same procedures, so a difference in audit results (for instance "areas of concern" detected at "Stage One") did correspond to the specific situation of each site management. Thus, the impression on audit calibration is good, which is an important factor when a scheme owner and their audit firms are working around the world.

▶ **Certification and surveillance system**

The examination of audit report details showed consistency in the certification and surveillance system (see for instance the description of "Step one" and "Step two" audits.) Also, the review of audit reports and certification decisions appear to be conducted systematically and professionally.

▶ **Directory**

All reports, collected documents and important information such as on competence and experience of auditors are stored in a directory. Sometimes the submitted documents and those in the directory were not fully identical, but this has been identified by BRCGS. This point will be looked at in the continued alignment visits to make sure that only definitive versions are stored.

▶ **High-risk Sites**

As already said, all audits were performed on the European continent or at the edge of Europe (North-eastern Turkey), however, the sampling contains textile factories as well as wine, dairy, vegetable and hazelnuts processing units in various zones. As written above, the continued alignment visits will steadily focus on new countries, new audit firms, and new risks detected.

2.2. Result of the public consultation

Public consultation pending

2.3. Recommendation to the SSCI Steering Committee

TBC

3. Results of Assessment and Office Visit

3.1. Time and location details

	Location	People present (e.g. SSCI, consultant, Scheme Owner. Names and roles)	Date and time
Self-assessment desktop review	Discussed in two meetings after an exchange of documents	SSCI-TM, BL, SSCI Officer Fiona Humphrey (Technical Manager Ethical Trade & Responsible Sourcing)) Karin Betts (Head of Compliance), Angela O'Donovan (Head of Standards))	2020/11/27 2021/02/17
Feedback calls	Online	SSCI-TM, BL, SSCI Officer Fiona Humphries, Karen Betts, Angela O'Donovan	Between Oct. 2020 and April 2021
Office visits (Remote)	ROV one ROV two ROV three	SSCI-TM, BL, SSCI Officer Fiona Humphries Karen Betts Angela O'Donovan	2021/04/23 2021/04/27 2021/07/07

3.2. Overview

- ▶ The Benchmarking process starting in September 2020 went along the defined SSCI procedures and basically according to the working plan established at the beginning.
- ▶ Before the application for Benchmarking, BRCGS has established a well-balanced and documented system containing requirements and guidelines for auditing and certification.
- ▶ Work progress depended on the conducting of audits in several countries. In such situations, it is difficult to make an exact Working Plan in advance. A representative number of audits in different countries and performed by different CBs was reached in mid-2021.
- ▶ In the course of the two Desktop Reviews and three ROVs, audit reports and relevant documents could be discussed in detail, so a good overview of the Standard and its mechanisms was granted.
- ▶ After a thorough review, the BL, as well as the TM and the assisting officer, see BRCGS ETRS standard as aligned with all SSCI criteria.

4.0 General compliance, strengths and weaknesses

- ▶ The Standard as reviewed according to SSCI procedures is assessed as fully aligned.
- ▶ The Standard is new and relatively few audits have been carried out in only four countries.
- ▶ It is due to be audited around the world since BRCGS has already clients in all continents. There are good prospects for this, as procedures and tools appear to be well balanced and robust, so the Standard should be fit to assess compliance accurately in many different situations and sites in various countries and regions.
- ▶ The SO appears to control the audit firms, their accreditation, their procedures, their competence, the use of the tools etc. Calibration should not be an issue.
- ▶ Relevant documents are stored in a directory.
- ▶ Relations with audit firms and ABs appear to be solid and the standard appears to be applicable in countries with many different conditions.
- ▶ With further audits in new countries and different regions of the world, the accuracy of mechanisms and tools in new situations should be reviewed and analysed.
- ▶ All this makes the standard strong and gives a good basis for credibility, which is important in social auditing
- ▶ The level is quite high, which may make the Standard difficult to implement in small units (smallholders, small or middle-sized farms, cooperatives without central Quality Systems etc.)
- ▶ Remarks have been made on the importance of local collective bargaining agreements, on the importance of efficiency and quality in training and procedures, on the consistency between actual documents and directory at all stages of the certification process, but these remarks do not question the alignment of the BRCGS ETI Standard with the SSCI criteria.

4.1. Changes made to the Scheme following the benchmarking assessment

Different documents were adapted and improved during the Desktop review. But no consequent scheme change was necessary.

4.2. List of findings – Self-assessment and office visit

SSCI Benchmarking Requirements Part	Criterion Number, Chapter	Non-conformity	Partly / no	Action from Scheme Owner	Recommendation from Benchmark leader	Decision from SSCI Manager
<i>(e.g. Part II –)</i>	<i>(e.g. B1.01)</i>					
Part III -Social	2.02	Documents provided but criteria not aligned.	Partly	Documents resubmitted.	Fully aligned now	Agree
Part III -Social	3.12	More accent on remediation with compensation: They will consult internally and revert	Partly	Documents reviewed and resubmitted.	Fully aligned now	Agree
Part III - Social	3.05	Concerns of clarity of language used	Partly	We have decided to retain this clause because bonded labour is where an employer requires a bond from an individual in order to secure work. That bond can be anything from an employment deposit or withholding identity papers or personal possessions. So we have included further explanation in the Justification for Assessment.	Fully aligned now	Agree
Part III – Social	7.02	References missing	Partly	We have provided more explanation as to why we believe the requirements align,	Fully aligned now	Agree

SSCI Assessment Report 20210801

SSCI Benchmarking Requirements Part	Criterion Number, Chapter	Non-conformity	Partly / no	Action from Scheme Owner	Recommendation from Benchmark leader	Decision from SSCI Manager
				referring specifically to the scope of the standard.		
Part III – Social	10.01	Requirement to include working hours over 60 per week in the audit report in cases where national legislations admits it: Will be added	Partly	Further explanation has been provided regarding how ETRS Standard auditors are trained so they must record exceptions in the audit report. Therefore, BRCGS does not believe it is necessary to state this in the requirement.	Fully aligned now	Agreed
Part II – Scheme Management	B5.05	No mention of root analysis & actions to be undertaken immediately in case of imminent danger, all measures are related to certification status and related information mechanisms. The guidance document, which will probably address these aspects, should be submitted.	Partly	Guidance documents were updated and submitted for review.	Fully aligned now	Agreed

5. Results of the Public Stakeholder Consultation

5.1 Executive summary

TBC

5.2. List of findings – public stakeholder consultation

Criterion Number, Chapter	List of issues raised	Answer from Scheme Owner	Recommendation from Benchmark leader	Decision from SSCI Manager