"GET IT FAIR"
DUE DILIGENCE SCHEME
FINAL VALIDATION REPORT

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FINAL VALIDATION REPORT

"GET IT FAIR" DUE DILIGENCE SCHEME

This document contains the results of an independent validation activity of the "Get It Fair" Due Diligence program.

The validation activity of the Get It Fair program was conducted by a multidisciplinary Validation Team composed of university professors, professionals and experts in evaluation with respect to models of excellence coordinated by Stefano Modena (Governance Advisors).

The validation activity took place in the period April – June 2020.

ICMQ India provided the Validation Team with all the necessary documentation to fully evaluate the Get It Fair program and was available to provide requests for clarification from individual Members of the Validation Team as well as the undersigned at any time.

The validation process took place in a climate of positive collaboration that facilitated the deepening of the many elements of complexity.

"The Validation Team has carried out the validation activity

fully independently and autonomously from the Customer."

VALIDATION TEAM

Stefano Modena – Governance Advisors (Coordinator)

Prof. Marco Allegrini –University of Pisa – Full professor of accounting and business administration

Giovanni Bertorelli – APQI (Associazione Premio Qualità Italia)

Franco Brovelli – APQI (Associazione Premio Qualità Italia)

Prof. Alessandro Brun – Politecnico di Milano – Full professor Design and management of production systems

Prof. Jolanda D'Amato – SDA Bocconi (Milano) – Full professor Operations and supply chain management

Alessandra Ferroni – Gianni Origoni Grippo Capelli and partners

Prof. Hakan Karaosman – Researcher & Fashion supply chain expert

Fernando Metelli – Honorary President AIFIRM (Italian Association Financial Industry Risk management)

Giulia Romano – Sustainability & Social Responsibility specialist

Prof. Massimo Tronci – University La Sapienza Roma – Full Professor Industrial Systems Engineering

THE PURPOSE OF VALIDATION

Objective

Verify whether the "Get It Fair" Due Diligence (GIF) programme allows to credibly and reliably assess the level of risk exposure to adverse impacts of an organization (and its supply chain) related to the different non-financial aspects of corporate social responsibility (ESG– Risks).

Validation Methodology

The overall objective of validation was pursued by defining a set of specific validation criteria and in accordance with a process that took place in stages.

Validation Criteria

The intent of verifying the ability of the "Get It Fair" Due Diligence program to provide stakeholders with credible and reliable information on the level of risk exposure to adverse impacts relating to all aspects of "social responsibility" has been achieved by defining a set of criteria:

1) **COMPLETENESS**: degree of coverage of the aspects and areas of the Framework underlying the "Get It Fair" assessment of the aspects of social responsibility addressed by the reference documents

2) **CLARITY:** Accessibility of programme content and evaluation outputs for stakeholder understanding

3) **CONSISTENCY**: Adequacy of the evaluation system and metric to express a quantitative assessment (score) of the level of risk exposure for each aspect of social responsibility taken into consideration

4) **RESULTS RIPETIBILITY:** invariability of the results of the evaluation process regardless of the composition of the group of evaluators (inspectors/assessors)

5) **ACCURACY**: adequacy of the acquisition system, during the due diligence process, of all information useful for the evaluation provided by the applicant and the evaluation time to the Due Diligence purpose

6) **TRASPARENCY**: availability of transparent information on the due diligence process and public consultation of results

7) **CREDIBILITY'**: impartiality, integrity and confidentiality of the due diligence process ensured by an independent third party

8) **COMPETANCE**: effectiveness of the criteria of competence of the evaluators and the evaluation process and their qualification with respect to the purpose of Due Diligence.

The validation process took place on documents made available to the Validation Team by ICMQ India.

The purpose of the validation has been focused on the entire Get It Fair Due Diligence Programme as designed and implemented by ICMQ however the validation does not include its implementation.

Validation process

The validation process was carried out according to the following approach:

1) Preliminary Meeting: Presentation of the Framework, Evaluation Metrics, Evaluation Outputs by ICMQ to the Validation Team Coordinator.

2) Document analysis: ICMQ Certification India representatives have been asked for specific documents to put the Validation Team in the best position to understand the different aspects and documentation available.

3) Periodic meetings remotely (due to mobility constraints imposed by the Covid-19 outbreak containment measures) took place between the Coordinator and individual members of the Validation Team with representatives of ICMQ Certification India for clarification and information.

4) Validation process took place in three separate phases to enable the evaluation to be more effective than the criteria. Each phase lasted an average of 15 days and focused on limited groups of evaluation criteria:

Step 1) Completeness

Step 2) repeatability of results

Step 3) information transparency

5) Preparation of the preliminary report: finalized draft evaluation report of the programme containing the judgment on the individual criteria of the assessment.

6) Discussion of the report: meeting between ICMQ India and the Validation Team to clarify dubious elements that emerged in the preliminary report.

7) Preparation of the final report: final validation report. In the course of the validation activity, the consistency and ability of the program to deliver on the promise of value communicated to stakeholders through various communication tools (WEB site, .ppt presentations and other communication material) and the capabilities of the Scheme Owner, the Reference Framework and the valuation metric, resources and processes implemented to maintain the promise of communicated value were verified.

The Validation Report highlights (grey boxes) comments received by the Validation Team members to provide the Stakeholder with clear evidences of the activity carried out.

REPORT SUMMARY

Programme Owner

ICMQ Certification India (ICMQ India) is a Certification, Inspection, Control and Training Organization registered, based and operationally structured in Mumbai, India, consisting of an internal staff that places it in the dimensional class between 0 and 10 employees flanked by a network of external collaborations with professionals delivering services in India, Pakistan, Bangladesh, Sri Lanka and Vietnam in the domains of quality, safety, environment, sustainability and social responsibility.

For 10 years it has been carrying out certification and inspection activities in the construction and consumer sector (textile, garment, footwear) in accordance with international standards. ICMQ India issues voluntary certifications covering management systems, products, buildings and staff in Quality, Health, Safety, Environment and Social Responsibility (QHSE). The system called "Get It Fair" (GIF) is part of Due Diligence and Risk Assessment.

GIF Due Diligence Programme

The GIF Due Diligence Program deals with the ethical characteristics of an organization grouped into four fundamental aspects: social (human rights and working conditions, health and safety, environment, correct business practices).

The program was developed by ICMQ Certification India pvt ltd (which at the time of validation plays the role of Scheme Owner) with the involvement of a large number of Stakeholders: Associations, Universities, Test Labs, NGOs, consulting firms, experts, media).

Although the Due Diligence program was initially developed with a focus on the garment and footwear industry, during validation the programme has been considered applicable to any organization regardless of type (profit or non-profit), industry, size, and place where it operates.

The object of Due Diligence consists of a determined operating unit (and not the entire organization to which the operating unit may belong along with others) because the risks related to social, safety and environmental aspects are specific to a single operating unit.

The Due Diligence program is based on the Get It Fair Framework, a model developed by referring to mandatory rules (e.g. Directive 2014/95), voluntary standards (ISO 26000) and internationally recognized guidelines (OECD Guidelines).

The approach, method and evaluation metric are geared towards quantitative determination of the level of risk exposure of adverse impacts generated by issues related to different aspects of social responsibility.

One of the interesting and innovative aspects of Get It Fair's risk assessment approach is the use of materiality analysis (required by the company in preliminary documents) to lead the metrics of the Ethical claim "Responsible Organization" verification and validation (during due diligence).

Organizations that successfully complete the Get It Fair Due Diligence receive:

(a) The right to use the Ethical label "Responsible Organization"

b) The Final Assessment Report (Confidential) with all the evidence collected during the assessment and the score on the level of risk

c) The Non-Financial Report in accordance with the 2014/95 Directive

d) The right to use an Ethics Label in accordance with ISO 17033

e) A certificate of successful completion of the Due Diligence

The programme includes an initial assessment and a three-year cycle of surveillance with variable frequencies depending on the result of the initial assessment.

Get It Fair Framework

The GIF Framework is based on the **7 Principles of Social Responsibility** reported in ISO 26000 and closely linked to the **10 principles of the United Nations World Compact** (UN Global Compact) for Sustainable Policies and Respecting Corporate Social Responsibility.

The "Get It Fair" framework is structured in 5 Aspects (see Figure 1): an aspect focused on the governance and management system for social responsibility and four aspects focused on risks related to "Social", "security", "environment" and "fair business practices".

Fig.1 Get It Fair Framework

Governance and the Management System is the aspect that allows to evaluate whether the organization has established and implemented an integrated management system that covers ALL relevant aspects competing with the assessment of Social Responsibility. The lack of establishing, implementing and improving a governance an integrated management system can affect the level of risk exposure to one or all aspects of social responsibility while a defined, implemented and improved management system leads to a lower level of risk exposure.

The four specific aspects are focused on as many risks.

Each Aspect is divided into Areas:

1) **Social**: human rights and working practices

2) **Safety**: health, safety and welfare

3) **Environment**

4) **Business Ethics**: Correct operating practices and customer issues

Each area has one or more elements. Some elements are defined as "Core" according to a precise criterion: the elements addressed by OECD guidelines and common to the requirements of ISO 26000. In the "Get It Fair" program, "Core" elements are essential for evaluation.

The GIF Due Diligence program takes into account all elements of the Framework and requires the achievement of a minimum score on each core "Element" for the successful completion of Due Diligence and an overall minimum score (see the section of this report dedicated to the evaluation system).

The Due Diligence process

The Due Diligence process that allows organizations successfully completing the Due Diligence to gain the right to use the validated "responsible organization" ethical assertion and a set of output is outlined according to the fundamental requirements of ISO 17029.

The evaluation, verification, and validation program set by ICMQ is based on the following pillars:

- Scope
- The criteria for competence evaluation and monitoring of Assessors
- The evaluation process
- The collection of objective evidence
- The reporting system

The main stages of the GIF Due Diligence program are:

a. **Application**: the request for Due Diligence and the definition of the purpose of evaluation. the acceptance of the ethical claim "Responsible organization" and its intended use, when relevant.

b. **Pre-engagement**: consist of the collection and review of the documentation submitted by the applicant to ensure that the it is sufficient to allow the process to continue and prepare the Assessment plan.

c. **Engagement**: consists of the contract stipulation between the Applicant and ICMQ

d. **Planning**: aiming to determine the assessment activities and plan along with the logistic arrangements.

d. **Assessment**: consists of the execution of the assessment activities at the organization premises.

e. **Review**: this phase consists of the review (carried out by a reviewer) and approval by the GIF Scheme Committee of reports issued by the Lead Assessor (Final Assessment Report) and the Internal Reviewer (Non-Financial Report)

f. **Decision**: the issuance of Reports and Recognition with three-year validity.

g. **Surveillance**: to verify the maintenance of the level of risk and validity of the ethical assertion.

g. **renewal** to be carried out at the end of the recognition validity period.

The Due Diligence output

Upon positive completion of the Assessment process the organization receives the following output:

1)   To achieve the right to use the validated ethical label "Responsible organization"

2)   Three different documents closely interrelated:

    a)   Final Assessment Report

    b)   Non-Financial Report

    c)   GIF Ethical Label

3)   publication on the [www.getit-fair.com Web site](http://www.getit-fair.com)

Fig.2 Get It Fair output

FINAL ASSESSMENT REPORT (Confidential)

The Final Assessment Report is a detailed report on the exposure level to risk related to all aspects of social responsibility. This document provides Assessed organizations with all the evidences collected during the evaluation and use it to support the definition of the score achieved.

The Final Assessment report is given to the Auditee organization is strictly confidential and it is intended for internal use only.

This report is a useful tool for identifying strengths but above all areas for improvement and reduction of the level of exposure to non-financial risks.

NON-FINANCIAL REPORT

The Non-Financial Report is prepared according to the EU Directive 2014/95 (adopted in Italy with D.Lgs 254/2016) and it is supported by the Final Evaluation Report. This report is made publicly available for consultation by stakeholders.

ETHICAL LABEL

The ethical label is the output of the Due Diligence process designed to allow the assessed organization to associate, with its products (unless verified of adequate traceability system), an ethical label intended not only for its customer but also for the end consumer.

The ethical label Get It Fair is shown in Figure 3.

Fig.3 Get It Fair Ethical Label

The ethical label is issued under the Get It Fair program in accordance with the requirements of ISO TS 17033.

The ethical label issued to the organization specifies the phase of activities carried out by the organization along the life cycle of a product and can be linked with other ethical labels issued to other organizations located along different stages of the same product life cycle and have also successfully completed the Due Diligence Get It Fair.

ATTESTATION OF DUE DILIGENCE POSITIVE COMPLETION

The recognition allows the assessed organizations to provide details about the ethical claim, and its validity period, giving it a unique and traceable identification number on the www.getitfair.com website.

Fig.4 Get It Fair Certificate

Organizations assessed by the GIF Due Diligence programme

At the start of the current validation process, the number of companies that have successfully completed the due diligence process was one (Rilievi India Pvt Ltd).

The sample consistency is useful for verifying the actual implementation of the Due Diligence program, but it is not sufficient to extend the validation judgment even on the implementation phase of the schema (This judgment is not within the scope of validation).

Validation results

In the light of the activities carried out in the validation process (document analysis, observations, interviews with managers, employees and workers) it can be said that the GIF Due Diligence programme meets all the validation criteria and gives adequate level of confidence in relation to the reliability and credibility of the assessment process according to the GIF evaluation criteria considered for evaluation

VALIDATION REPORT

This section contains the results of the verification activities carried out by the Validation Team against each evaluation criterion.

1 COMPLETENESS

√ *The contents of the GIF Framework are complete with respect to international documents taken as a reference for the GIF Framework (OECD Guidelines, ISO 26000, etc.) and the criterion is fully met.*

The Get It Fair Framework (Rev 3/31/2020) applies the principles of social responsibility and the requirements addressed by the reference documents.

To facilitate the carrying out of the verification activity, ICMQ staff has made available the main reference documents (OECD Guidelines, ISO 26000 and other Standards) as well as a matching table between the requirements of ISO 26,000 and OECD guidelines.

The Framework analysis conducted individually by Validation Team members showed that the aspects, areas, and elements of the GIF Framework have a coverage index of more than 95% with the main program reference documents.

> - *"completeness": coverage of all relevant areas*
>
> - *"parsimony": at the same time there is no proliferation of areas and risks of secondary relevance*

Please note that the GIF Framework integrates issues and provisions included in major reference documents with appraisal elements that are invoked into other international standards or guidelines.

For example, the "risk management" area is well developed in accordance with the requirements of ISO 31000 and is properly a core area of the GIF Framework. The "safety" aspect details the risks listed in the Occupational Injury and Illness Classification Manual (OIICM) classification developed and used by the U.S. Department of Labour Bureau of Labour Statistics. It is the most comprehensive and systematic international classification of events, sources and type of damage to the health of the person. Finally, the GIF Framework appropriately targets the traceability assessment area for the purpose of issuing an ethical label that conforms to ISO 17033.

The GIF Framework also includes elements to estimate the Governance risk (which is one of the relevant ESG risk). Although the Corporate Governance mechanisms may not be always applicable (e.g. SME and micro organizations), every organization is supposed to have a Board whose composition (for example diversity) and accountability level over the non-financial risk management system must be evaluated.

The degree of coverage of aspects and areas of the Framework is complete with respect to aspects of social responsibility.

As evidence of completeness, you can also see the numerous references of GIF documentation to the relevant regulations.

The Validation Team noted that few issues addressed by ISO 26000 (*e.g. responsible political involvement, community involvement, science & technology, taxation)* have not been included in the current GIF Framework version. The Validation Team accepted the explanation given by ICMQ India (low impact, in comparison with other Aspects and Areas, to the external Stakeholders, difficulty to conduct consistent assessment particularly in taxation). The Validation Team recommends, in the event one or more issues are considered relevant in the materiality assessment, to deepen such issues during the Assessment irrespective of their inclusion in the current GIF Framework version. The Validation Team also recommends to carefully evaluate the opportunity of including such issues in future Framework reviews provided sufficient confidence that the Assessment Team and process are able to provide the interested parties with assurance (or at least confidence) that a consistent judgement is achieved.

In conclusion, in the current version, the GIF Framework's completeness requirement can be said to be largely satisfied.

Reference: See the GIF Framework Attachment (rev. 3/31/2020)

2 CLARITY

√ The GIF Programme, the GIF Framework and Evaluation Metric documents, the Evaluation Reports, the Non-Financial Report, and the Certificate are clearly exposed and the criterion is met.

The GIF Framework features an introduction that explains the 7 Principles on which the actual framework is based, and consists of **five Aspects**, one focused on the management system and the other four on as many specific risks closely related and dependent on the first

For each Aspect, the Framework provides a definition that explains the high-level meaning referring to the international reference documents.

Each Aspect consists of **one or more Areas** that explain what could be implemented in a responsible organization and that must be verified during the evaluation, distinguishing Areas, for the purposes of the final assessment, between "core" and "non-core

For each Area, **a series of elements** that can be linked (directly or indirectly) to the 7 Principles of Social Responsibility are suggested and help the evaluator to collect evidence and to evaluate the total level of risk.

> *[The many documents in the schematic drawn up with the intention of obtaining greater clarity of the model and evaluation process. As an example we can cite the well-described Regulation; Definition document that is clear and accessible to all stakeholders.*
>
> *The whole part of the assessment metric, revocation of suspension and complaint is also generally clear. In general the whole Get It Fair Due Diligence process is described in detail and understandable.]*

The Programme Regulations explains in detail the evaluation process, its metric and the decision criteria, from the Application to the issuance and maintenance of the Certificate. The Regulation is publicly accessible from the site (http://getit-fair.com/regulation/). For the purpose of understanding the final and partial Score for each Area and Aspect the criteria have been defined and made public on the site www.getit-fair.com .

The Review Team is composed by ICMQ India employees that have not been involved in the Assessment Team. A Reviewer is qualified for their deep knowledge of the GIF Framework and have Assessment experience as well as experience in preparing the Assessment reports. The main duty of a Reviewer is to check the Final Report completeness and the coherence between the evidences and the score assigned to each area.

The Scheme Committee is Chaired by the ICMQ India MD and is composed by a limited number of members (3 to 7). The Scheme Committee may include external members and cannot include neither Assessors nor Reviewers.

The main duty of the Scheme Committee is to verify, supported by the ICMQ General secretary, if the Due Diligence Programme (from Application to the Final Assessment Report) verified by the Reviewer has been carried out according to the Programme procedures and if all documents required for taking a decision are available and complete.

The Scheme Committee has the duty of taking the final decision regarding the Initial Assessment, suspending the decision and asking further clarification to the ICMQ Secretariat o Reviewer (who can further ask the Lead Assessor to provide him with further clarification).

This is documented in ICMQ internal procedures. The Validation Team has collected evidences that the documents submitted for validation have been developed in different phases and sometime there are duplication, redundancy or misalignment (particularly in wording). The Validation Team recommends ICMQ to carry out a complete review of the documentation to better align all documents.

The structure of the Final Evaluation Report highlights what the evaluation process has been carried out, what evidences have been collected for each Aspect and Area, and how a score is reached.

[The i-Audit tool ensures full analysis of The Framework elements]

The structure of The Non-Financial Report model indicates with sufficient level of clarity, compatible with the privacy rights on confidential information contained in the Final Assessment Report, information related to the result of the materiality assessment and the exposure to risks of adverse impact related to each non-financial issue.

The **GIF recognition** (certificate) is structured to clearly and unequivocally highlight the scope, the verified unit and the evaluation result. Very useful, in terms of risk communication, Annex 1 to the certificate that contains the description of the Risk Profile.

The documentation submitted by ICMQ and analysed provides the Validation Team with clear evidences that the information regarding the Programme are clear and easily accessible. The criterion of clarity is met.

The Validation Team recommends ICMQ India to carefully evaluate, during the next review of the Programme Documents, the opportunity of:

a) Reviewing the GIF Framework and the Due Diligence documents to verify the coherence of terminology and improving the communication clarity

b) Clarifying the responsibilities of those roles involved in the Programme management: Programme Committee, Reviewers, Assessors.

c) Requiring the assessed organization to prepare and submit a Remediation Plan with regards to those areas in which the highest risks have been rated within an established timeframe (e.g. within 15 to 30 days after the Assessment)

d) Allowing the organization in need only of an Assessment to apply for it without completing the entire Due Diligence Programme with all the related outputs.

The Validation Team has also required a clarification regarding the dispute resolution between ICMQ India and the assessed organization. ICMQ India is incorporating a clause addressing the dispute in the review of the Regulation currently in progress (Issuance planned on June 30th 2020). Dispute resolutions will be in accordance with the Mediation and Validation rules established by AD IDEM – the Indo Italian Resolution Centre - promoted by the Indo Italian Chamber of Commerce. The dispute resolution can be settled either in Mumbai or in Milan.

Reference: see the information regarding the recognition available ate:

http://getit-fair.com/wp-content/uploads/2019/07/0-19-06-Rilievi-certificate-png.png.

3 CONSISTENCY

√ The approach for determining the exposure level to the ESG risk is suitable and consistent with the value proposition of the Due Diligence programme.

[The GIF assessment system is overall appropriate for a quantitative assessment (score) of the level of risk exposure for each aspect of social responsibility. The periodic surveillance system is clear well defined]

ASSESSMENT APPROACH

The valuation approach to the GIF Framework is **scoring-oriented** to reflect, quantitatively, how an organization implemented the seven principles of Social Responsibility.

The overall score reflects and normalizes two different ways of evaluating the Aspects:

(a) The score regarding the "Management System" aspect represents how an organization has established and implemented a management system for social responsibility

b) The score regarding each aspect of Social Responsibility represents the exposure level to risks that may result in adverse impacts due to Social, Safety, Environment and Business Ethics issues.

The overall score reflects the degree of alignment of the assessed organization with the principles and the GIF Framework referring to the requirements of ISO 26000 and the OECD guidelines "Responsible Business Conduct" and "Due Diligence Guidance for Responsible Supply Chains".

The construction of the score is explained in the Section 8 of the GIF Framework. It starts at the Area level and takes into consideration a set of evaluation elements that contribute to the formulation of the judgment on the area.

The score for each Aspect is constructed from the average of the scores assigned to the individual areas: The lower the score, the higher the exposure level to risks that can generate adverse impact on the organization and its Stakeholder.

A low score in the Management system means that there are poor evidences that an approach is established and implemented. A high score means that there are complete evidences that an approach related to social responsibility is established, implemented, reviewed and improved for the considered Area.

The total score is the result of an average of the scores assigned to the five Aspects of the GIF Framework.

MATERIALITY ASSESSMENT

In the meetings with Team ICMQ, one of the most important aspects of the Get It Fair Due Diligence program was deepened: the determination and evaluation of materiality as required by:

1. EU Regulations and directives (e.g.: 2014/95 Directive)

2. Management System Standards (ISO 9001, etc.)

3. Ethical Claim Validation/Verification Standard (ISO 17029)

4. Sustainability reporting standards (e.g.: GRI)

The materiality assessment is conducted according to the following approach:

a)   The organization is required to submit its own Materiality Matrix in the pre-assignment phase (i.e. after the application and before the Assessment as required by ISO 17029)

b)   If the organisation has not carried out the materiality analysis it will receive a form to fill in in which to enter the values for the degree of importance of the individual assessment elements from the two perspectives:

   I. The perception of internal stakeholders

   II. The perception of external stakeholders

c)   Based on the values provided by the Organization, a Materiality Matrix is made

d)   The Materiality Matrix is verified by the Assessors in the planning phase and, taking into consideration publicly available information, to identify critical areas to be deepened

e)   During the Assessment, the Assessors delve into the materiality with special attention to the process that led to the definition of the Materiality Matrix. ICMQ has set up a guideline for Assessors to assess whether the process leading to the materiality matrix has been appropriate ("Materiality Assessment final") and especially whether the results of the materiality assessment are used as inputs to define the organization's objectives and strategies.

f)   At the end of the Assessment, the Lead Assessor may confirm or ask the client to revise the Materiality Matrix to introduce the evidence that emerged during the Assessment;

g)   The "materiality matrix", validated after the Assessment, is included in the company's Non-Financial Report

The Validation Team highlights an important characteristic of the GIF Programme: the standardization of the labels assigned to Aspects and Areas is an important support to organizations required to prepare a Materiality Matrix and facilitates the benchmarking among different Organizations assessed against the Get It Fair Framework.

The approach complies with the requirements of ISO 17029

Reference: GIF Framework and "Materiality Assessment" Form

4 REPEATABILITY OF RESULTS

√ *The criterion of ensuring repeatability of results by minimising the risk of variability of the evaluation process regardless of the composition of the Assessment Team is met*

Compared to the intent stated by the Scheme Owner ("assessment of the level of exposure of an organization to the risk of adverse impacts related to non-financial aspects" or rather "ESG Risks") the Due Diligence Get It Fair scheme is reliable and meets the requirement of repeatability of the result. ("*I am assured that the evaluation would lead to objective as well as robust results*").

[What is described appears to be in line with the objectives of the documents, thus ensuring an acceptable degree of repeatability of the results, with particular reference to the competence of the selected evaluators, the training cycle and the i-Audit tool]

The criterion is met because there are clear evidences that the evaluation approach, at every stage of the Due Diligence process, reduces the risk of variability and subjectivity of the professional judgment given Assessors thanks to the following elements:

- Clearly defined metric (grade "one to five") with descriptor for each grade to determine the assessment of the risk level.

- Elements to be considered when determining the level of risk well defined in the GIF Framework

- Definition of minimum knowledge and professional experience requirements for assessor qualification

- Initial training and continuous monitoring of assessors focused on their knowledge of i-audit app and their evaluation capability

- Composition of the Assessment Team to ensure that all general management system and technical skills required for conducting a specific assessment are covered

- Availability of i-audit App to support Assessors during the Assessment conduction. The app is used as a register for collecting evidence during the Assessment and as an "online guide" for the Assessor

- Consensus meeting to align the Assessors' evaluation during the Assessment Conduction to be included in the Assessment plan daily and before the Closing Meeting conduction

- Consensus meeting of the Assessment team to be conducted before approving and submitting the Final Assessment report to ICMQ India Reviewer

- Review process on 100% of all Final Assessment reports carried out by an ICMQ India person with adequate expertise to review not only the score assigned by the Assessment Team but above all the consistency between the score and the evidences recorded in the report

- Analysis of the assessed organization feedback regarding the assessment process and team

- Management of any complaints and appeals received by the Assessed organization.

Upon request of the Validation Team member, a session will be conducted with ICMQ India staff to verify how the i-Audit App features and functions adequately support the Assessment Team. ICMQ India clarified that the Assessors are required to know how i-Audit that enables the team to improve the assessment efficiency and effectiveness. I-Audit App is part of the initial training programme requested to gain the status of Qualified Assessor.

The Validation Team recommends ICMQ India to prepare a demo or a tutorial to improve the communication regarding how the i-Audit app works.

As far as concern the support provided to the Assessors the Document "GIF Assessor guide" (version April 9th 2020) has been submitted by ICMQ to the Validation Team. This document is delivered to each Assessor upon positive completion of the qualification process.

The Validation Team noted that the latest revision of this Document is not fully aligned with the requirements of ISO 17029 standard. ICMQ India is recommended to review this document and align it to the requirements of ISO 17029.

Reference: Metric of valuation.

5 ACCURACY

√ **The approach for identifying and gathering documents and records to be provided by the Organization for the evaluation objectives is consistent with the scope of the Due Diligence. The criterion is met.**

The evaluation process involves identifying and analysing all the necessary information during the documentation review (pre-audit), site visit (required), and surveillance (scheduled or surprise for the renewal of the certificate). The Assessment Team (the composition depends on the size and complexity of the Organization to be evaluated) analyses:

- The context of the organization, the peculiarities and specificities of the sector, and those of its supply chain.

- The materiality assessment

- The organization's processes, services and products provide a wide variety of evidence consisting of documents, information, tangible and intangible facts collected during the assessment.

/The support given to Assessors through the i-Audit tool is entirely adequate and is, at present, a best practice in the current evaluation processes of business excellence models and awards/

During the Assessment, it is expected not only the presence and participation of key business figures responsible for the choices and processes implemented but also the possibility of interviewing a number of workers (and their representatives) up to key external stakeholders where necessary.

√ *The timing of initial assessment and surveillance visits follow international tables and are adequate to the objectives of the assessment*

The calculation of Assessment man-days and the number of Assessors is defined by ICMQ and takes into consideration the complexity of the organization, its activities and the number of employees/workers. The calculation is made according to a table available from the regulation that refers to the IAF (International Accreditation Forum) tables with variations required by the specificity of the program and its scoring system. Reductions or increases to this calculation are possible on the basis of specific and contingent factors (such as logistics, the need for translators).

[The system is robust and rigorous"]

Reference: Mr. Saccani and Ms. Pierozzi showed the i-Audit app that supports the assessment conduction on 22/05/2020 and showed the database that manages GIFs describing in detail, even with a concrete example of a company evaluated GIF, all the steps of the Due Diligence process and the documents produced.

√ *The validity of Due Diligence is limited in time and is subject to surveillance*

The validity of the Due Diligence Get It Fair is limited in time (3 years).

After the first assessment, the programme provides for a certain number of surveillances with a frequency determined according to the level of risk estimated during the first Assessment according to a principle of merit: the higher the score achieved in the first Assessment (which corresponds to a level of exposure to the risk) the lower the frequency of periodic surveillances to confirm or change the judgment on the level of exposure to risks

The GIF certificate clearly specifies that "it remains valid until the expiration or until the conditions established in the GIF Framework are significantly changed or the processes and/or infrastructure of the organization have significantly changed."

The Validation Team asked ICMQ India to give indication about the Database: who is in charge of data protection, how data security and ethics would be ensured and some other related issues.

ICMQ India explained that the approach to protect information is based on the following pillars:

a) Every Assessor is required to return duly signed a Confidentiality Agreement prepared by ICMQ India

b) An NDA (Non-Disclosure Agreement) is signed between ICMQ India and the Customer at the time of the engagement

c) A Data Protection Waiver Consent is submitted to each interviewed person to get formal consensus to access confidential information and files (e.g. employment agreement, payrolls, etc.).

d) All the information uploaded or recorded in i-Audit app are stored and archived in a data storage room physically locate in USA and accessible only to the Administrator of the app appointed by ICMQ India.

e) All information regarding the Due Diligence process are manage by a proprietary information system developed by ICMQ.

Upon request of the Validation Team ICMQ India Team clarified that the Self-Assessment is a part of the Due Diligence programme in the Pre-engagement phase. The organization is required to fill this document and to submit to ICMQ India duly signed.

The Self-Assessment results are not taken into consideration for calculating the score.

The overall objective of the Self-Assessment is to provide the organization with confidence regarding how the Assessment Team will evaluate each Aspect and Area.

Along with the Materiality Matrix the Self-Assessment provides the Lead Assessor with fundamental input to evaluate whether the organization is ready to receives the Assessment and,

above all, it enable ICMQ India to verify whether the Assessment can be planned and therefore there the condition for the Engagement.

According to ISO 17029 ICMQ retains the right of suspending or terminating the Assessment because the organization is far to be ready to successfully complete the Assessment.

Reference: GIF certificate.

6 COMPETANCY

√ The criterion is satisfied: there is clear evidence of an adequate definition of the map of competence (education, knowledge and skills) required of Assessors in order to carry out the Due Diligence and accurate process of selection, evaluation, qualification and monitoring of the competence (including the soft-skills)

The complexity of the evaluation process requires a level of expertise of the assessors appropriate to the assessment of all Aspects and Areas.

["*GIF established a scrupulous approach for qualifying potential Assessors*]

The competency criterion is met by an approach of selection, evaluation, appointment and monitoring of Assessors appropriate to the conduct of the Assessment.

The key elements of the approach are:

- **Clear definition of the competence criteria**: a set of the skills required to carry out the duties of Assessor is established and includes inter alia: (i) knowledge of the GIF scheme and the guidelines and international standards that underlie it; (ii) the ability to assess risk; (iii) technical experience in the field to be assessed; (iv) knowledge of relevant laws and regulations, including local ones; (v) the ability to carry out assessments; (vi) possession of other soft skills

- **Competence assessment:** The competency verification is initially based on a set of documentary evidence (CVs, diplomas, certificates) and the previous work experience of the candidates and an interview with the candidate

- **Assessment training:** those who have passed the initial interview are admitted to attend a training course focused on assessment techniques, risk assessment and the use of i-Audit app;

- **Admission to the Register of Assessors in observation** and signing of the Code of Ethics and the NDA (Non-Disclosure Agreement)

- **Conduzione di un numero di Assessments in affiancamento** a Team Qualificati e valutazione del comportamento dell'Assessor in osservazione da parte del Lead Assessor;

- **Conduction of number of Assessments alongside Qualified Teams** and evaluation of the Auditor's behaviour under observation by the Lead Assessor (focus on soft skills verification)

- **Inclusion in the Register of Assessors** (ICMQ can assign the task of conducting an Assessment only to qualified Assessors)

- **Appointment of the Assessor** in a Team;

- **Support provided by the online guide on the i-Audit app** provided to Assessors during the conduct of an Assessment

- **Monitoring the Assessor's behaviour** by collecting Feedback from the evaluated organization

- **Verification of the ability of report preparation** conducted by the Lead Assessor
- **Continuous monitoring of the Assessor behaviour**
- **Mandatory attendance to periodical training** and calibration sessions to gain credits required to maintain the qualification.

A Qualified Assessor can be either an ICMQ India employee or a freelance.

Irrespective of the contractual agreement, each Assessor is required to return to ICMQ India a NDA and the Code of Ethics duly signed for acceptance.

The Code of Ethics includes a set of provisions regarding, inter alia, the absence of conflict of interest, the confidentiality and the management of gifts offered by the Assessed organization.

As far as concern the Conflict of Interest the ICMQ approach is based on a double control:

a) A yearly declaration including the list of organization to whom the assessor has provided professional services

b) An Undertaking letter, to be signed at the time of the appointment, in which the Assessor declares, under its responsibility, that he/she has not delivered any service to the organization he is appointed to assess.

7 CREDIBILITY

√ The criterion is satisfied. There are clear evidences that the Due Diligence scheme and the Assessment process were developed in accordance with the requirements of ISO 17029 "Validation and Verification of Ethical Statements" and the assessment is carried out by a recognized body that ensures integrity, impartiality and transparency

Get It Fair was developed by ICMQ India, a third-party certification, inspection and training body based in Mumbai, India.

For more than 10 years, ICMQ India has been providing management system certification, product certification and personnel certification as well as inspection activities in accordance with international standards and under NABCB accreditation.

Since 2013 ICMQ India has been implementing a Code of Ethics that applies in relationships with its staff and all stakeholders to ensure

- Impartiality
- No conflict of interest
- Confidenziality

Before appointing a due diligence to an Assessor ICMQ India requires the candidate to sign an Undertaking letter which excludes the Assessor from performing professional services of any kind (e.g. advice) with the organization to be evaluated over the last three years.

In addition. ICMQ India enters into a confidentiality agreement with the organization to be assessed and with its assessor to ensure that any information collected during a due diligence is not disclosed to any third party without prior written consent of the organization.

The Assessment report prepared by the Lead Assessor is reviewed by an internal Reviewer who is tasked with verifying any anomalies between the assigned score and the collected evidence

The final decision on the successful completion of the Due Diligence process is entrusted to a Program Committee made up of people who did NOT have any role in the due diligence process. Where necessary, the Program Committee may reserve the right to request further investigation from the Assessor Team that conducted the Due Diligence.

ICMQ has defined, and made publicly available, procedures that allow the assessed organization to file a complaint or appeal the Program Committee's decision

[The impartiality and confidentiality are ensured through a process of training the evaluators and the definition of the Evaluator Team and the commitment of confidentiality signed by them and the valuation body.]

√ There is a periodic review process of the GIF Framework, evaluation system and output to maintain and improve the program over time (as well as any standard).

ICMQ stated that the Due Diligence program and, particularly, the GIF Framework will be subject to periodic review based on inputs generated by:

1) Assessor during due diligence

2) Clients who have faced Due Diligence

3) Members of the Multi stakeholder Committee

4) Evolution of the regulatory framework at national and international level.

Reference:

ICMQ India – Code of Ethics

8 TRASPARENCY

√ The programme meets the criterion: all information about the Programme and its Regulation, the GIF Framework and the evaluation system, the Due Diligence process and the decision criteria, the complaints and appeals and the information regarding assessed organizations are made publicly available to all stakeholders.

All relevant information about the Get It Fair Due Diligence program is publicly available:

a) on the Get It Fair website

b) in .ppt presentations

c) in tabs on specific aspects of the program

> *"Communication is clear and adequate.*
>
> *The required steps as well as specifications are expressed in a clear fashion"*

√ All relevant information regarding the Due Diligence programme are publicly available on the WEB site www.icmq.in

> *["Il sito www.getitfair.com risulta completo, dettagliato e in generale chiaro.]*

During the validation, the Web Get It Fair website accessible to the URL www.getit-fair.com in the different sections was carefully examined.

The scheme owner makes the following information about the Get It Fair Due Diligence program publicly available:

1) Framework   (http://getit-fair.com/gif-framework/)

2) Valuation approach and metric   (http://getit-fair.com/esg-scoring/)

3) Regulation   (http://getit-fair.com/regulation/)

4) Rules for the trademark use   (http://getit-fair.com/regulation/)

5) Fee structure   (http://getit-fair.com/2016-costs-and-fees/)

6) Elenco delle aziende   (http://getit-fair.com/gif/)

7) FAQ (Frequent Asked Questions)   (http://getit-fair.com/faq/)

√ Publication of certificates in databases that are also accessible to Stakeholders

Data from organizations that have successfully completed GIF Due Diligence is published in an electronic database accessible to everyone without logins on the site at the http://getit-fair.com/gif/ page.

All stakeholders can check the GIF WEB site if an organization has actually completed the Get It Fair Due Diligence.

The certificate of positive conclusion of Due Diligence is delivered to the organization in dual language (Italian and English) and contains an explicit reference to the Final Validation Report that contains the supporting information.

References: www.getit-fair.com site

√ **Information contained in the standard offer**

The value proposition of the Due Diligence Program is clear. The standard economic offer template submitted to the organization interested in the Get It Fair Due Diligence Program clearly explains:

(a) The purpose of the service

b) The structure of activities

c) The fee structure (fixed and optional, included and excluded) for the various activities (pre-audit, evaluation, periodic surveillance),

d) the duration of the contract and certificate,

(e) how the commercial offer is considered Accepted

(f) the payment terms and condition.

√ **Information provided to the customer in the "Due Diligence Application" and "Pre-engagement" phase**

At each stage of the Due Diligence process, the assessed organization receives a set of information and guidance from ICMQ India to help prepare for the Due Diligence process.

During the validation activity, the following were examined:

(a) The "**application package**" delivered to the customer following the formal acceptance of an offer

b) The "**Pre-engagement package**": a set of documents delivered to the organization prior to the contractual agreement (Engagement)

An Applicant Guideline has been set up to provide organizations with all documents that will need to make available before and during the Assessment.

Reference: sito WEB www.getit-fair.com, presentazione .ppt

CONCLUSIONS

At the end of the validation process, the Validation Team has come to the following conclusions:

1) **The overall architecture of the Due Diligence scheme is comprehensive and well-structured** and responds to the need expressed by several Stakeholders to receive credible and reliable information on the exposure level to the risk of future adverse impacts related to all non-financial issues (or ESG risks): social, safety, environmental, fair business practices

2) **The publicly available information is clear, complete and understandable.**

3) **The Get It Fair Framework is complete with respect to the most important reference documents** including regulations (e.g.: 2014/95 Directive), guidelines of international organizations (OECD, ILO, etc.) international standards (ISO 26000, ISO 17029, ISO 17033) and best practices

4) **The competences of the assessors are clearly defined and appropriate to the purposes of the Assessment.** The evaluation and qualification process meets the needs of entrusting Due Diligence to people with proven professional experience to carry out a complex, score-oriented assessment, such as that adopted by GIF**The entire Due Diligence programme and, particularly, the Assessment process** are established in a consistent manner according to the Standard ISO 17029.

5) **During the Assessment, assessors are supported by "i-Audit" app** that not only allows them to collect evidence quickly and effectively but, above all, contains an online guide that helps to focus attention on all the elements to be evaluated. The i-Audit app is considered a best practice in providing evaluation support.

6) **The methodology and valuation metric are robust and based on the modern risk management approaches.** The criteria under which Due Diligence is considered "positively outdated" are clear, relevant and clearly measurable.

7) **The final assessment report is complete** and allows to assess the consistency between the set of evidence collected during the assessment and the score assigned at the individual area level

8) **The non-financial report complies with the requirements of the 2014/95 Directive** regarding the Non-Financial risks disclosure, is linked to the final report and is a support tool for the preparation of a non-financial declaration (DNF) by the organization and/or its suppliers

9) **The Ethical Label issued to the audited organization complies with the requirements of ISO 17033**

Opportunities for further improvement have emerged during the validation process. A careful review of the Framework (including a mother tongue proof reading) and the documents prepared to support the programme is recommended to better align all documents.

The Validation Team believes that the Get It Fair Due Diligence Programme is adequate to provide stakeholders with a credible and reliable set of information on the level of exposure of the Assessed organization to adverse impact risks related to the different aspects of social responsibility outlined in the main reference documents (consistent regulations, standards, guidelines and best practices).

The variety and the structure of the output are well designed and suitable to meet the information needs of different Stakeholders (Customers, consumers, investors, banks, local communities).

ICMQ Certification India is equipped with both the organizational and management characteristics and the human and instrumental resources required for the GIF due diligence activity and development.

The GIF mark is a valuable means of qualifying "responsible organization" as the person who has successfully completed Due Diligence and to communicate and ensure an acceptable level of risk to all stakeholders in relation to all the ethical characteristics of an organization.

Stefano Modena
Validation Team (Coordinator)

FINAL SCORE

Each member has been requested to assign an individual score to each criterion.

The score per criterion represents the average of the individual scores assigned by the Validation Team member.

The Final Score is given by the average of the scores per criterion.

CRITERION	SCORE
Completeness	86
Clarity	73
Consistency	83
Repeatability of results	79
Accuracy	83
Transparency	86
Credibility	86
Competancy	82
FINAL SCORE	**82**

Range: 0 – 100