

# Summary Paper

## Recycled

In partnership with an International Working Group, Textile Exchange has created a first draft of the unified standard. [The draft is now available as of May 15, 2023. It is open for public feedback until July 14, 2023.](#) You can find a full version of the draft and learn more about how to provide feedback [here](#).

### Introduction

At Textile Exchange, our organizational goal is to help drive a 45% reduction in the greenhouse gas emissions that come from fiber and material production by 2030, while driving positive impacts across soil health, water, and biodiversity. We call this [Climate+](#).

The unified standard aims to meaningfully embed the Climate+ goal into the raw material scope for all materials included in our certification. An additional objective is to harmonize systems across the full scope of our current standards and to create stronger communication at the consumer-facing level.

The main impact areas of the unified standard system focus on Tier 4 raw material management (including the cultivation and extraction of raw materials from the earth, plants or animals), and “Tier 3.5” first processing (including processes such as ginning, retting, degumming, cottonizing, wool scouring, dissolving pulp, and chemical / mechanical recycling).

To provide highlights on key material categories included in the future standard system, we have developed a series of summary papers to supplement the draft standard criteria. The materials proposed for the scope of the unified standard include:

- Animal-derived: wool, mohair, alpaca, yak, cashmere, down
  - Recycled: synthetic and natural materials
  - Fiber Crops: cotton
- Summary papers are included for the above material categories but are not planned for the following; however, relevant details will be found in the discussion papers.*
- Forest-derived: MMCF, latex
  - Biomaterials: biosynthetics

### Background

We have two overarching objectives for the unified standard. The first connects to the number of certified sites participating across the eight standards that we currently offer. With this transition, we have the opportunity to provide efficiency by bringing all materials in the scope of these standards under one harmonized system. The second objective is to embed our Climate+ goal and drive impact and outcomes through participation in standards and certification. **Currently, each standard (GRS, RCS, RWS, RMS, RAS, RDS and OCS)<sup>1</sup> was developed separately and operates uniquely in terms of structure and reach. Each standard also incorporates its unique focus areas. While standards like the RWS, RMS, and RAS all contain land**

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<sup>1</sup> GRS – Global Recycled Standard; RCS – Recycled Content Standard; RWS – Responsible Wool Standard; RMS – Responsible Mohair Standard; RAS – Responsible Alpaca Standard; RDS – Responsible Down Standard; OCS – Organic Content Standard

**management and social criteria, the RDS does not include those attributes.** In contrast, the journey towards unifying this system has focused on exploring where it is relevant and meaningful to incorporate Climate+ and other key impact areas, **addressing how the material is managed on the ground as well as the first stage of production.**

This shift in scope represents our standard for raw material certification. Certified materials will be tracked through the supply chain with our pre-existing chain of custody standard: the Content Claim Standard (CCS). While the CCS continues to provide the mechanism for tracking and handling of the certified inputs through to the finished product, the unified standard impact criteria are being developed for Tiers 4 and 3.5 of the supply chain.

## Timeline

The progression of the work towards a unified standard system has been underway since we first announced our Climate+ strategy in 2019. The publication of the draft standard will come in two parts: the first draft in May 2023, which this summary paper supports, and the second draft planned for Q4, 2023.

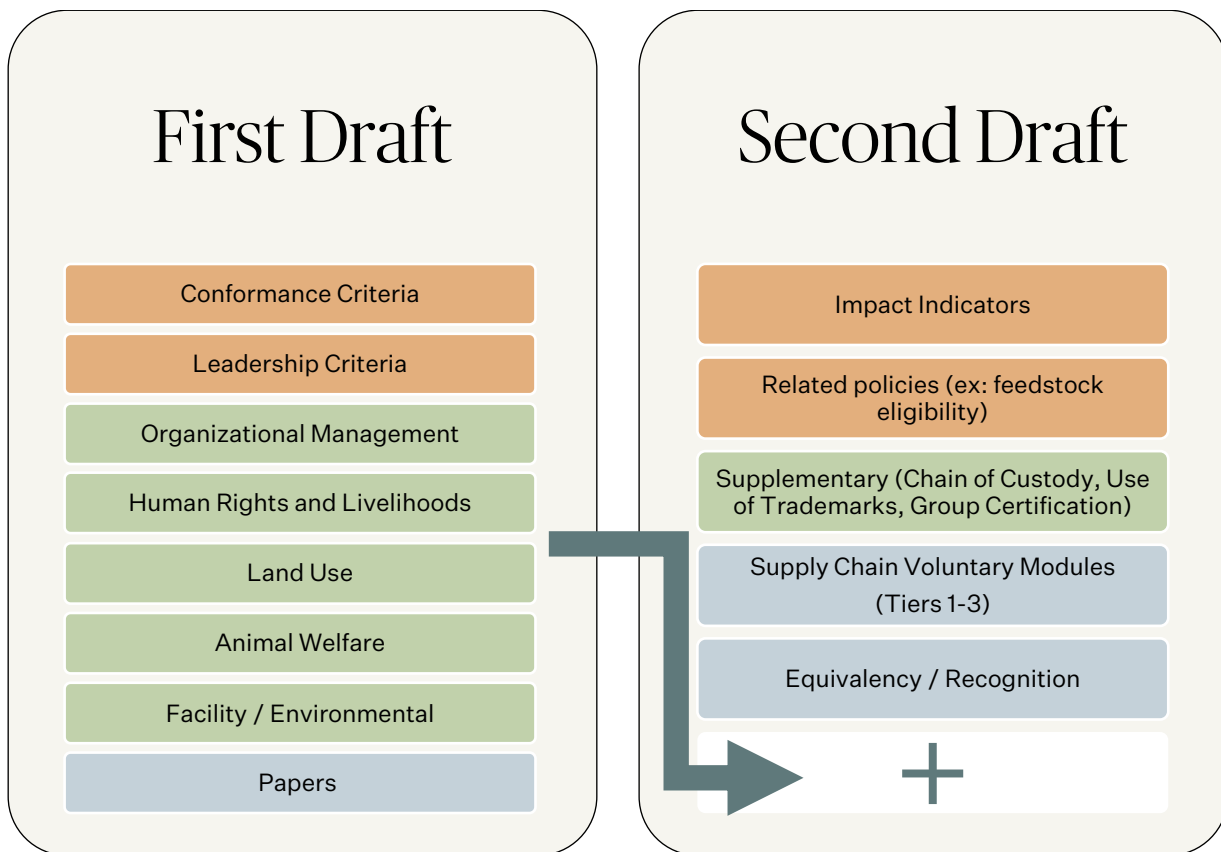
The final standard is planned for release by 2024. However, it should be noted that when the standard is finalized, this does not mean that it is immediately effective or mandatory. 2024 will be used to conduct a full internal systems update as well as to provide the necessary implementation planning for all stakeholders in the system. This allows time to align across our assurance system, the certification bodies' systems, and sites that will need time to prepare their operations to get certified.

During this period, we will draft the accompanying documentation that makes the standard implementable. We will also update pre-existing documents to reflect the new standards system.

According to our current timeline, in 2025 the standard will be effective. This means that sites will be able to request certification by certification bodies equipped and approved to audit against the standard. In 2026, the standard will be mandatory, meaning all sites will need to be certified to the new system based on the unified standard system superseding applicable previous standards, which will be defined in the final standard.

For the public consultation on the draft versions, we have decided to separate the content into two drafts that will be published at different times. In this first draft consultation, the majority of the standard will be available for review including conformance-related criteria and leadership areas (recommendations) for criteria grouped in the following sections: organizational management, land use, animal welfare, human rights, and facility/environmental.

In the second draft planned for Q4 2023, we will release the revised content from the first draft (after review of feedback from the first open consultation period). Additionally, the second draft will cover supplementary criteria for group certification models, chain of custody, trademark use, and slaughterhouses, as well as impact indicators, related policies addressing areas such as supply chain voluntary modules, and a recognition program.



**Overview of the standard structure**

When we talk about driving positive impacts through standards, the focus of this work will span across the following categories: GHG emissions, soil health, biodiversity, water resources, human rights and livelihoods, and where applicable, animal welfare, environmental (e.g., energy use, waste management), and chemical management.

In each of these impact areas, we have gone through an exploratory exercise to determine the long-term outcomes and impacts we want to see. This includes looking at how these relate to best practices on the ground for how the raw material is managed as a resource. We then determined related criteria that need to be evaluated at certified sites to have an impact on Climate+, so we can monitor and evaluate change on the ground.

For several of the material categories included in our current standards, impact-related criteria already exist. So, part of the drafting process included a review of pre-existing criteria, aiming to continuously improve practices as well as shift relevancy to be more focused on our Climate+ goal.

Since we are bringing several different input scopes and materials under one master standard, we also considered the efficiency of Tier 4 and Tier 3.5 thematic groupings (sections) for cross-cutting criteria. Then, for some sub-sections, we determined that the criteria only apply to certain material categories (for example: chemical management in recycled). The sections in the draft standard appear as follows:

SECTION	SUB-SECTION
1. Organizational Management	1. Fundamental Certification Requirements
	2. Personnel Oversight
2. Human Rights and Livelihoods	1. Policies, Management Systems and Records
	2. Labor Rights
	3. Social Justice
	4. Livelihoods
	5. Specific Contexts - Personnel Housing
	6. Specific Contexts - Management of Waste Pickers for Recycled
3. Land Use	1. Management Plan
	2. Water
	3. Soil Health
	4. Fertilizers
	5. Pesticides
	6. Biodiversity (land/ecosystem management)
4. Animal Welfare	1. Health and Welfare Plan
	2. Nutrition
	3. Living Environment
	4. Husbandry Procedures
	5. Shearing / Combing
	6. Herd Management
	7. Breeding, Birthing and Caring for Young Animals
	8. Handling and Transport
	9. Handling and Transport Managed by the Organization
	10. Euthanasia and Slaughtering
5. Facility / Environmental	1. Environmental Management System
	2. Chemical
	3. Waste
	4. Water
	5. Air
	6. Energy Use
6. Supplementary Requirements	1. Group Certification
	2. Chain of Custody
	3. Use of Trademarks
	4. Slaughterhouse

*\*Section 6: Supplementary Requirements will not be included in the first draft consultation but will be part of the second draft later this year.*

Within these sections, we have three different types of criteria:

- Conformance-related criteria
- Leadership criteria
- Impact indicators that drive outcomes (not included in the first draft)

One of the goals of having three types of criteria is to ensure the standard is accessible for organizations at different stages in their sustainability journey. We do not want to set up a new standard system that sets the bar so high that participation and certification is not achievable for organizations that want to embark on the Climate+ journey with us. We want to create a pathway

for continuous improvement for those that are certified so that they are progressing with each version of our standard(s). For new participants, we want them to see that there is a way for them to take part so that they understand where their practices need to improve over time.

### **The three types of criteria**

**Conformance-related criteria** are evaluated for certification decisions. Depending on the degree of conformance, the certification body assesses criteria as fully met, or raises non-conformity reports to address non-conformances. There are three levels of conformity for these criteria. The current draft standard identifies when a criterion is critical, meaning conformance is required to achieve and maintain certification. Other criteria currently show TBD: Major or Minor to represent we do not have proposed levels of conformity ready for review.

**Leadership criteria** will not be evaluated for conformance, but will indicate where an organization can improve over time. By meeting these criteria, organizations demonstrate leadership in the applicable areas. In future versions of the standard, leadership criteria may become conformance-related criteria. This is similar to our current system where we have “recommendations” in some standards that are not evaluated for conformity but indicate where the standard is heading for conformance in future versions.

**Impact indicators** represent where we will collect data and information to support driving outcomes. Indicators will be used for monitoring and evaluating progress related to impact areas so we can learn and adapt as we move forward as an industry. Where we have defined best practices related to the criteria above, are they relevant to driving outcomes? Are they delivering the intended change on the ground that we want to see? We are embarking on a careful process to define metrics and data deemed most meaningful to collect and monitor progress on our Climate+ goal and other key impact areas.

### **How to read the draft standard**

To navigate the first draft of the unified standard, it is important to understand the following key terms:

- **Sections:** The high-level themes in which the unified standard criteria are divided into groups for cross-cutting criteria addressing all or some materials in the scope of the standard.
- **Sub-sections:** The next level down to further categorize different themes of criteria.
- **Criteria #:** Consecutive numbering consisting of three digits to identify the section, subsection, and the given criterion number.
- **Criteria:** Collective term for all areas checked during the audit; a specific TYPE is used for each criterion (conformance-related, leadership, indicator)
- **Performance determination:** In the first draft, this is a starting point to provide information on evaluation of the criterion in different contexts.
- **Level of conformity:** Level of expected conformity per each criterion; if a conformance-related criterion is not met, a non-conformity report at that level shall be issued by the certification body.
- **Materials:** Each criterion applies to one or more sources of materials. This is the place to record material scope applicability so in the future we can filter for specific standard modules per material source. In the current draft, this is where stakeholders can check criteria applicability for materials they are interested in.

### **Chain of custody considerations**

When the desired goal is to make claims about certified materials, the rest of the supply chain (Tiers 1-3) will need to be certified against Textile Exchange's Content Claim Standard (CCS), representing chain of custody requirements for the tracking and handling of certified materials. The CCS is not scheduled for revision currently, but it will be the applicable chain of custody standard that supports the implementation of the unified standard system when this becomes effective after 2024. This means Textile Exchange will review the CCS for any necessary updates following the finalization of the unified standard.

### **Claims and labeling**

Accompanying the transition to a unified standard system is the development of a new brand, which includes an official standard name and logo, as well as an updated claims and labeling system. We anticipate having a single logo that represents the various materials and scopes of the standard to promote one visual presence while incorporating material type specification into the label lockups and claims to clearly convey the certified material type.

To support this shift, we are in the process of creating a transition plan that will allow adequate time for certified organizations to move to the new claims and labeling system while phasing out the current standards logos. We are aiming to share the new name and logo alongside the final standard at the end of the year and will be working on a revision of our Standards Claims Policy to be released the next year, to be followed by the defined transition period.

While developing the new claims and labeling system, among other topics, we will also be actively looking at and aligning with legislation on green claims, including but not limited to the current efforts to address misleading claims and greenwashing in the European Union.

## **Introduction to the Recycled Criteria**

The scope of the unified standard for recycled materials focuses on impact-related criteria at the first stages of processing reclaimed inputs to convert them to the raw material phase needed for manufacturing into new products. In the case of textiles, these are the mechanical or chemical recycling processes to convert the reclaimed material into pellets, flakes, and/or filament.

The objective of the standard scope is to identify, promote, and monitor responsible practices that lead to greenhouse gas reduction and measure progress toward our Climate+ goal, including areas addressing chemical use, energy use, waste management, and human rights & livelihoods.

Many of the criteria applicable to recycled materials in the current draft of the unified standard represent an evolution of the Global Recycled Standard (GRS). Many of these are found in the cross-cutting criteria sections as summarized below. The section of the standard that provides the majority of the manufacturing-specific concepts that are oriented towards our Climate+ goal is referred to as "Facility/Environmental." There is summary information below to help illustrate key criteria and changes for this section. In addition to this summary paper, we will provide a discussion paper with more detail on our proposed approach to chemical management.

Important notes when reviewing the criteria in the first draft:

- Criteria applicable to recycling operations include sections for Organizational Management, Human Rights & Livelihoods, and Facility/Environmental in the draft standard;
- The applicable materials in the "Material" column are Recycled, as well as MMCF (note the manufacturing of recycled MMCF will need to conform to both Recycled and MMCF criteria);

- Performance determinations have been introduced to the draft standard to define conformance expectations based on organizational characteristics such as size and scale. This has been done primarily for human rights & livelihoods in the first draft. Applicability for all sections in the standard will be considered for the second public consultation.

Scope of content planned for the second draft:

- Review is pending for chemical management at the first stages of production (Tiers 4 and 3.5) and will result in new criteria when the second draft is released later this year;
- Criteria specific to man-made cellulosic fiber (MMCF) are planned that will require chemical parameters and implementation timelines set by the [ZDHC MMCF guidelines for fiber production](#);
- Additional criteria as either conformance-related or leadership may be proposed for testing for restricted substances;
- Review is pending for the minimum recycled content thresholds for making claims, including product labeling, and will be shared with the second draft;
- Review is pending for the definitions used for pre-consumer and post-consumer waste, as well as the process to review and approve reclaimed inputs accepted for recycled materials in our standards this will be shared with the second draft.

The following are section summaries for criteria within the unified standard as they apply to recycled materials (see “Overview of the Standard Structure” above).

### **Organizational Management**

The purpose of this section of the unified standard is for the certified organization to demonstrate how it is internally organized, regardless of the activities performed or the materials produced. Having an organizational management system in place includes having a general management plan and specific planning documents, designating accountable persons in charge of each activity within the scope of the certificate, clearly defining and documenting the sites, activities and materials which are part of the scope of the certificate, showing compliance with applicable regulations and legislation, and demonstrating its personnel are adequately trained and under good supervision.

Sample Criteria:

- 1.1.5: The organization has a written Management Plan in place, which includes the following:
  - a) the management objectives;
  - b) the land tenure status;
  - c) a description of the resources to be managed; and
  - d) the procedures for how the main activities under the certificate scope (i.e., agricultural practices, animal husbandry, etc.) are to be carried out.
- 1.1.9: The organization maintains complete and up-to-date records of relevant documents to demonstrate its conformity with all applicable certification requirements.
- 1.2.5: Personnel receive adequate training and supervision to ensure proper implementation of this Standard, including the organization's management plans, procedures and policies.

### **Human Rights & Livelihoods**

Human Rights and Livelihoods criteria apply to the initial stages of material recovery and extraction from waste back into raw materials. Currently there are social criteria included within the Global Recycled Standard (GRS) applicable to processing facilities across the recycled supply chain. The updated criteria are more focused on building management systems, understanding

risks, and supporting due diligence processes compared to previous criteria included within the GRS.

The draft criteria are split into five sub-sections: Policies, Management Systems and Records; Labor Rights; Social Justice; Livelihoods and Specific Contexts. Conformance level thresholds have been adjusted to account for the size of the producer across many of the criteria.

The Policies, Management Systems and Records section contains criteria to ensure that certified sites have commitments to upholding human rights and systems in place to support this, including policies and procedures, risk assessment processes, stakeholder engagement, implementation of a grievance mechanism, and a recruitment management system.

Sample Criteria:

- 2.17: The organization has a publicly available commitment to actively engage with rightsholders and other stakeholders to meet their right to meaningful and effective participation in decisions which may affect them.

The Labor Rights section contains criteria relating to minimum requirements for remuneration, working hours, child labor, forced labor, freedom of association, discrimination, harassment & abuse, and health & safety.

Sample Criteria:

- 2.2.23: Wages are not withheld as a penalty or to force personnel to work as a payment against debt to the organization.

The Social Justice section outlines criteria relating to the recognition of Indigenous People and Local Community (IP/LC) rights including preventing the infringement of IP/LC rights, as well as remediation plans, should infringement occur.

The Livelihoods section includes criteria on tracking costs of production, as well as leadership criteria for paying inflation-adjusted prices over time.

The Special Context section includes new criteria outlining requirements for records on waste pickers, risk assessments of the waste collection process, engagement processes, and leadership criteria around remediation processes for the highest risk factors.

Sample Criteria:

- 2.5.5 - The organization has and maintains a record of waste pickers who provide input material, including their name, date of birth and contact information.

### **Facility/Environmental**

In the context of recycled supply chains for the scope of the unified standard, "Tiers 4 and 3.5" refer to the first processing stages of material recovery and extraction from waste back into raw materials via established and evolving recycling technologies with the potential for more value creation within the textile industry. The unified standard's scope of criteria is focused on raw materials and first processing, different from the chemical and waste management elements of the GRS which applies to the whole supply chain.

The unified standard builds on the same GRS philosophy for its environmental facility criteria, which includes achieving all legal requirements, putting in place a management system to monitor and record activities, and setting relevant targets and goals. As part of strengthening our



standards over time, the unified standard development includes a review of current standard criteria to determine where we need to move as an industry, with a specific focus on our Climate+ goal. Related revisions in the draft standard for environmental criteria from the GRS represent this shift and are classified into conformance-related criteria or areas that demonstrate leadership (recommendations) in the Facility/Environmental section of the unified standard.

The six sub-sections for Facility/Environmental are Environmental Management System, Chemical, Waste, Water, Air, and Energy Use. For the purposes of this summary paper, the following key highlights are specific to recycling operations/recycled materials rather than other first-processing of virgin materials. Some of the most noteworthy requirements and proposed changes are shown below:

- Chemical:
  - Having a comprehensive chemical management strategy, thorough planning documents to monitor regulatory requirements, trained employees, and maintaining a precise chemical inventory. (5.2.1)
  - Conformance-related requirements for maintaining up to date input SDSs (Safety Data Sheets) in accordance with established norms or directives, allowing SDSs to be up to five years old, and a process to evaluate chemical inputs. (5.2.2 - 5.2.5)
  - Language changes to comply with EU regulation on Substances of Very High Concern (SVHC) in finished products. (5.2.6)
  - New proposed requirement for testing restricted substances in intermediary goods. (5.2.8) More appropriate criteria and details regarding specific substances to be tested for will be included in the second draft.
  - The requirements for Hazard Codes have been given leadership status because of the recognition that these substantially hindered the manufacture of Tiers 4/3.5. (5.2.7)
  - The ZDHC MRSL is not included since it is not relevant for Tier 4/3.5 manufacturing, however development of more appropriate criteria for this stage of production is planned for the second draft.
- Waste:
  - Possessing a general waste management strategy and any necessary supporting documentation, including but not limited to waste records, waste reduction programs, and legal compliance. (5.3.4 - 5.3.6, 5.3.9, 5.3.14 - 5.3.19)
  - Addressing pre-consumer waste and adding requirements for utilizing reclaimed waste materials in the organization's own processing. (5.3.7)
  - Introducing a leadership area (which is not required for conformance) to support and promote closed loop textile-to-textile recycling. (5.3.8)
- Water:
  - Maintaining legal requirements while monitoring water use through a comprehensive water conservation plan. (5.4.1 - 5.4.3)
  - Having a general management plan and detailed planning to monitor and keep track of wastewater discharge records, to comply with regulatory requirements, and to safely dispose of sludge. (5.4.4 - 5.4.5, 5.4.8)
  - The Wastewater discharge criteria have been strengthened for clarity and relevancy, and producers of man-made cellulosic fiber are specifically mentioned with reference to the ZDHC MMCF guidelines. (5.4.6 - 5.4.7)
  - Leadership status that places a strong emphasis on the utilization of Reverse Osmosis water treatment and water reuse in the process. (5.4.12, 5.4.14)
- Air:
  - Complying with regulatory requirements related to emissions and plans to detect and monitor air pollutants. (5.5.1 - 5.5.5)
- Energy Use:

- Having a broad energy management strategy as well as detailed planning documents for tracking, monitoring, keeping track of energy use, and adhering to legal requirements. (5.6.1 - 5.6.4)
- Leadership status for machine optimization and the utilization of renewable energy sources. (5.6.5 - 5.6.7)
- Specific Leadership status criteria for energy reduction in the production of MMCF. (5.6.9 - 5.6.11)