

Summary Paper – Draft 2

Fiber Crops

The development towards a unified standard system has been underway since we first announced our Climate+ strategy in 2019. After receiving inputs and approval from an International Working Group (IWG), the first draft standard was made available for public comments between May – July 14, 2023. The second draft of the standard will be available for public comments between September 27th and November 12th. 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, as well as human rights & livelihoods, animal welfare, and chemical management. 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.

We are releasing content of the standard in stages. For the first draft consultation, most of the standard criteria in the areas of organizational management, human rights, land use, animal welfare, and processing facilities were available for comment. Each criterion was tagged as a conformance-related criterion (binding for certification) or leadership criterion (non-binding for certification, but just a recommendation).

For public consultation on the second draft, we are releasing the revised content from the first draft based on feedback received. Additionally, new draft content is included, covering criteria for group certification, chain of custody, claims and logo use, and slaughterhouses, as well as monitoring, evaluation, and learning (MEL) indicators.

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: sheep wool, mohair, alpaca, down, and skins
- Recycled: synthetic and natural materials

Consequently, some of the materials proposed for inclusion within the scope of the unified standard will be added through the recognition of external standards rather than through direct Textile Exchange raw material certification. These materials are:

- Animal Derived: Cashmere
- Biomaterials: Biosynthetics
- Forest Derived: MMCF
- Fiber Crops: Cotton

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 material-specific standard (GRS, RCS, RWS, RMS, RAS, and RDS)¹ 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 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.

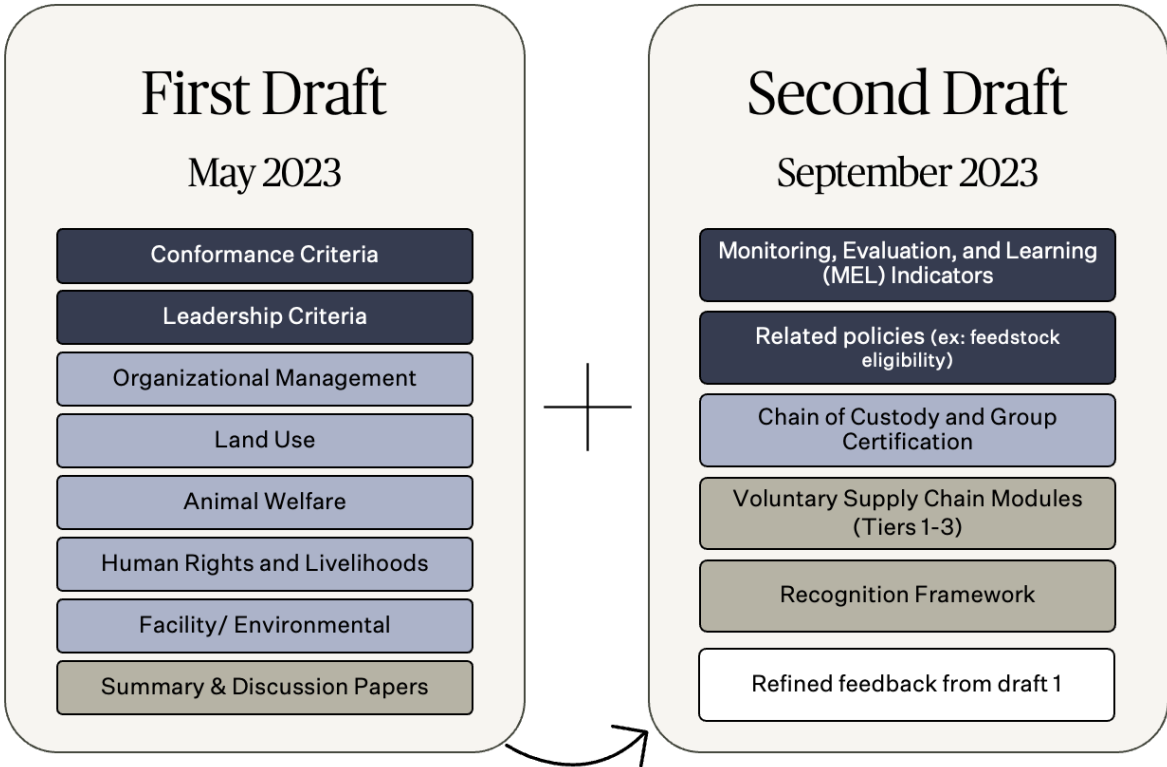
Timeline

Similar to the process of moving from the first to the second drafts of the standard, stakeholders' feedback from the second consultation will be considered in changes made as we move to approve a final version of the standard at the end of 2023. The final version is planned for publication in early 2024 to be used for pilot testing and implementation planning. Throughout the year 2024, we will conduct a full internal systems update to align with the new standard, as well as provide the necessary implementation planning for all stakeholders in the system (e.g., taking adequate time to align across our assurance system, the accreditation and certification bodies' systems, and for sites to prepare their operations to get certified). We will also update pre-existing documents to reflect the harmonized standards system.

Our current timeline has the standard becoming effective in 2025. During 2025, sites may request certification to the unified standard, but this will still be optional as this year is transitional for sites already certified to any of the previous standards (i.e., Global Recycled Standard – GRS, Recycled Claim Standard – RCS, Responsible Wool Standard – RWS, Responsible Mohair Standard – RMS, Responsible Alpaca Standard – RAS, Responsible Down Standard – RDS). During 2025, new certification applicants will have the option to request their audit to the unified standard, or to the applicable stand-alone standard, however we would encourage certification to the unified standard, given they will have to transition the following year.

In 2026, the standard will be mandatory for both already certified sites as well as for new applicants, meaning all sites will need to be certified to the unified standard system. Existing previous standards superseded by the unified standard will be retired.

Overview of the standard structure



Section	Subsection
1. Organizational Management	1.1. General Requirements
	1.2. Shared Responsibilities
2. Human Rights and Livelihoods	2.1. Policies, Management Systems and Records
	2.2. Labor Rights
	2.3. Social Justice
	2.4. Livelihoods
	2.5. Management of Waste Collection for Recycled Inputs
3. Land Use	3.1. Management Plan
	3.2. Soil Health
	3.3. Soil Nutrients
	3.4. Pest Management
	3.5. Water Management
	3.6. Conservation of Biodiversity
4. Animal Welfare	4.1. Health and Welfare Plan
	4.2. Animal Nutrition
	4.3. Living Environment
	4.4. Husbandry Procedures
	4.5. Animal Shearing
	4.6. Herd Management
	4.7. Breeding, Birthing, and Caring for Young Animals
	4.8. Handling and Transport
	4.9. Handling and Transport Managed by the Organization
	4.10. Euthanasia and On-Farm Slaughter
	4.11. Slaughterhouse
5. Processing Facility	5.1. Environmental Management System
	5.2. Chemical Management and Restrictions
	5.3. Waste Management
	5.4. Water Use and Discharge
	5.5. Air Emissions
	5.6. Energy Use
6. Chain of Custody	6.1. Applicability of the Content Claim Standard
	6.2. Material Handling
	6.3. Volume Reconciliation
	6.4. Sale of Certified Materials
	6.5. Logo Use and Claims
7. Group Certification	7.1. Group Management
	7.2. Internal Control System
	7.3. Group Member Requirements
	7.4. Inspection of Members
	7.5. Adding and Removing Members

*Section 1-5: Included in First Draft

Update on fiber crops in the unified standard system

The first draft of the unified standard scope included a set of criteria for fiber crops, specifically cotton. The draft criteria were developed to identify practices related to our intended long-term impacts for fiber crop production systems at the farm and first processor (facility) level.

In line with the objectives for all materials in the unified standard, the set of draft criteria for fiber crops reflects our desired Climate+ outcomes related to soil health, biodiversity, water, and other areas of impact. The complete standard system intends to provide a framework for monitoring and evaluating farm-level progress toward targets in line with these outcomes.

The fiber crops summary paper provided with the first draft of the unified standard explained that the related criteria were developed to be used in our own certification system and/or for use in a recognition framework. **Since the release of the first draft, a decision has been made to focus on developing a recognition model for cotton certification at the farm level.**

Recognition for cotton means we will work with peer organizations to review their programs and standards for alignment with Climate+ outcomes and other required attributes through a recognition framework as a means to accept these standards into the unified standard system, covering similar requirements for audit evaluations.

Updates from Draft 1

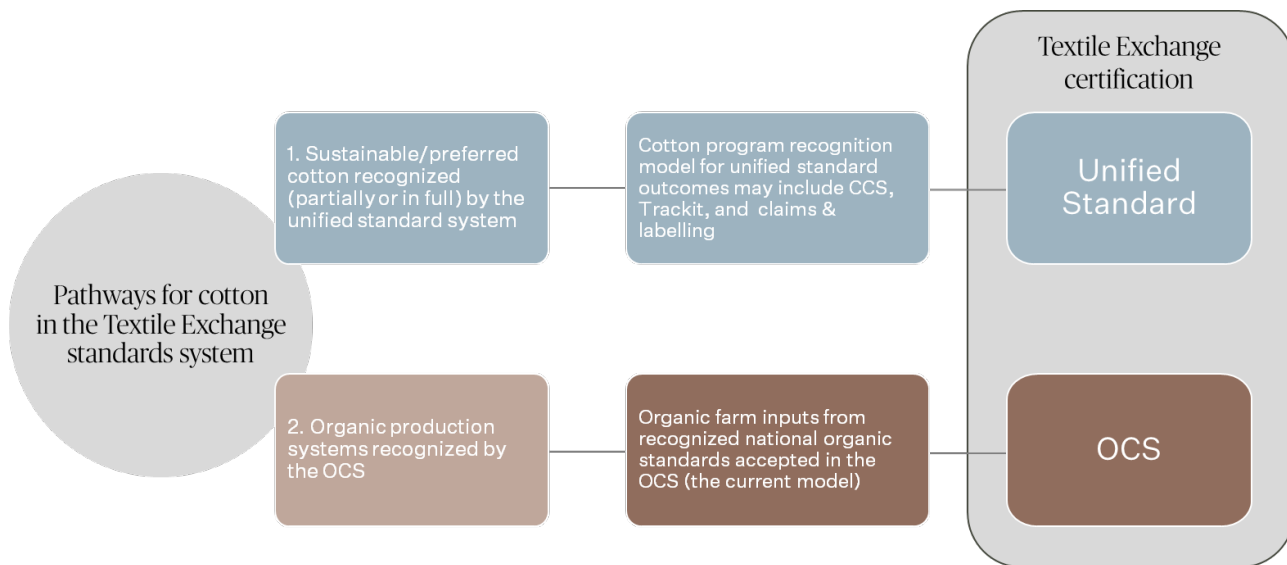
Based on the direction of travel for cotton in the unified standard system shifting to a recognition model with peer standards organizations, the following changes have been applied to Draft 2:

- Farm-level production criteria for seed cotton have been omitted from the second draft consultation of the unified standard (see the section “Cotton in our future standard system” below).
- Some cotton criteria remain for certification at the facility level. These criteria apply for eligible cotton feedstocks entering the unified standard system at the first processing stage for cotton (ginning) as part of a recognition process.
- Criteria for first processing at the facility-level include sections for organizational management, human rights and livelihoods, and the processing facility.
- Revisions to seed cotton production criteria in the “Land Use” section based on the Draft 1 public consultation feedback and further internal review are being held for further consideration and industry consultation in the recognition framework.

Cotton in our future standard system

As a key strategic fiber, cotton is at the forefront of the Climate+ strategy within the unified standard system. Textile Exchange’s approach to cotton within its current suite of standards has been through the Organic Content Standard (OCS). While the OCS sets an important precedent to acknowledge the efforts of and establish a chain of custody for organic production, organic certification at tier 4 is not fully aligned with the complete scope of the unified standard impact areas and desired outcomes for Climate+.

Moving forward with our future standard system, Textile Exchange is proposing two paths for cotton:



1. Sustainable/preferred cotton will be integrated into the unified standard system through the recognition framework, leveraging and recognizing the efforts of existing standards and programs owned by peer organizations.
2. The Organic Content Standard (OCS) will be managed as a standalone standard in parallel to the unified standard and will be available for the certification of cotton coming from organic production systems.

1. Cotton recognized by the unified standard system

The unified standard scope includes proposed raw materials and preferred alternatives that we have not previously included at the tier 4 production level in our current standards and criteria. When we look at new raw materials, our goal is to first consider opportunities for developing recognition partnerships. Our proposed role for sustainable/preferred cotton in the unified standard is to leverage partnerships and collaboration as the most effective ways to accelerate our Climate+ strategy.

Recognition in the unified standard reflects our intent to collaborate on standard systems to combine forces, reduce duplication, and work towards positive impacts faster and more collaboratively. A key reason for a partnership-first approach is to leverage sustainability standards and certification as a tool that incentivizes practices on the ground that drive outcomes in a desired direction. Adding to the proliferation of standards – audits – and certificates in the marketplace is also counter to driving impacts.

Recognition partnerships for cotton will focus on working collaboratively on a comprehensive standard system that is at once tailored to different needs depending on the standard/region, but still represents a consistent platform for companies to interact with for preferred cotton sourcing, traceability, and claims.

So what does this mean for the unified standard criteria connected to preferred cotton production?

- We will not plan to offer direct cotton farm certification through auditing of our criteria by certification bodies accredited to the unified standard. Farm-level cotton production criteria for land use have been omitted from the second draft of the unified standard.
- Facility-level criteria for cotton still remain in the second draft to account for accepted material entering the unified standard system at the first processing stage.
- Land use and other key impact criteria developed in the unified standard will still play a role in identifying essential practices tied to our Climate+ goal and will form part of the evaluation of standards owned by peer organizations in the recognition framework.
- Our work on fiber crops-related criteria will continue outside of the formal unified standard development to enable input on our partnership model for recognition, as well as guiding our Climate+ outcomes.

The recognition framework being developed for the unified standard system is a fundamental tool to accelerate progress on our Climate+ strategy for the textile industry. There are proposed materials for the unified standard scope that are already covered by raw material standards managed by peer organizations, such as cotton. Textile Exchange considers that we will drive outcomes and industry alignment faster through partnerships with peer organizations than by introducing new certifications for these materials.

The draft recognition framework will be available for review and circulated to stakeholders when the document is ready. In the meantime, we are able to share the following core elements of our proposed recognition framework:

- a. Participation in unified standard recognition is optional, and external standards/programs will only be included with their active agreement to participate.
- b. If a recognition partnership is desired, we will use existing Textile Exchange tools and systems, such as the Preferred Fiber and Materials Matrix (PFMM), as an entry point to review eligibility and establish a partnership pathway.
- c. Following eligibility through the PFMM entry point, the recognition evaluation process moves on to review and open up discussion on areas that are specific to the unified standard core set of impact-related criteria tied to our Climate+ strategy.
- d. Recognition partnerships will include collaboration agreements that define an agreed-upon recognition model and options to participate in Textile Exchange standard system tools.
- e. We are reviewing our claims and labeling guidelines, terms, and formatting to consider co-labeling with peer standard systems to ensure acknowledgment of the program attributed to certification on the ground.
- f. Optional participation in standard system tools includes various categories such as: Climate+ impact data collection and reporting, traceability and supply chain solutions, assurance mechanisms, scope certificate data storage and dashboards, impact partnerships/incentives, and claims and labeling.

We believe this approach will strengthen existing efforts within sustainable cotton standards and programs while also providing a clear and consistent platform for brands and buyers to engage in their sustainable cotton journey.

2. Cotton in the Organic Content Standard (OCS)

The OCS was created with a goal to increase organic agriculture production and provide organic farmers with access to the global organic market. This is a valuable niche that Textile Exchange will continue to support in its future standard system. The OCS will be managed as a standalone standard in parallel to the unified standard and will be available for the certification of cotton coming from organic production systems.

The OCS today accepts national organic standards operating at the farm level recognized by the IFOAM family of standards. On this basis, the OCS utilizes a form of recognition by accepting inputs into its system that have been certified through external standards. Uptake of the OCS has provided insight into areas that will benefit from review and revision. In order to keep the OCS robust and relevant in a changing environment, a standard revision is planned in the coming months following our standard-setting procedures that include mechanisms for a transparent process and public feedback.

Hemp and flax in our future standard system

Cotton is currently the first and only fiber type held within the proposed unified standard scope for fiber crops, but we intend to review opportunities for other fiber crops in later versions of the unified standard. How we work with cotton in this new system is laying the groundwork to test responsible practices connected to our Climate+ goal and adapt this approach to hemp and flax.