

# Summary Paper – Draft 2

## Manmade Cellulosic Fibers

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)<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 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.

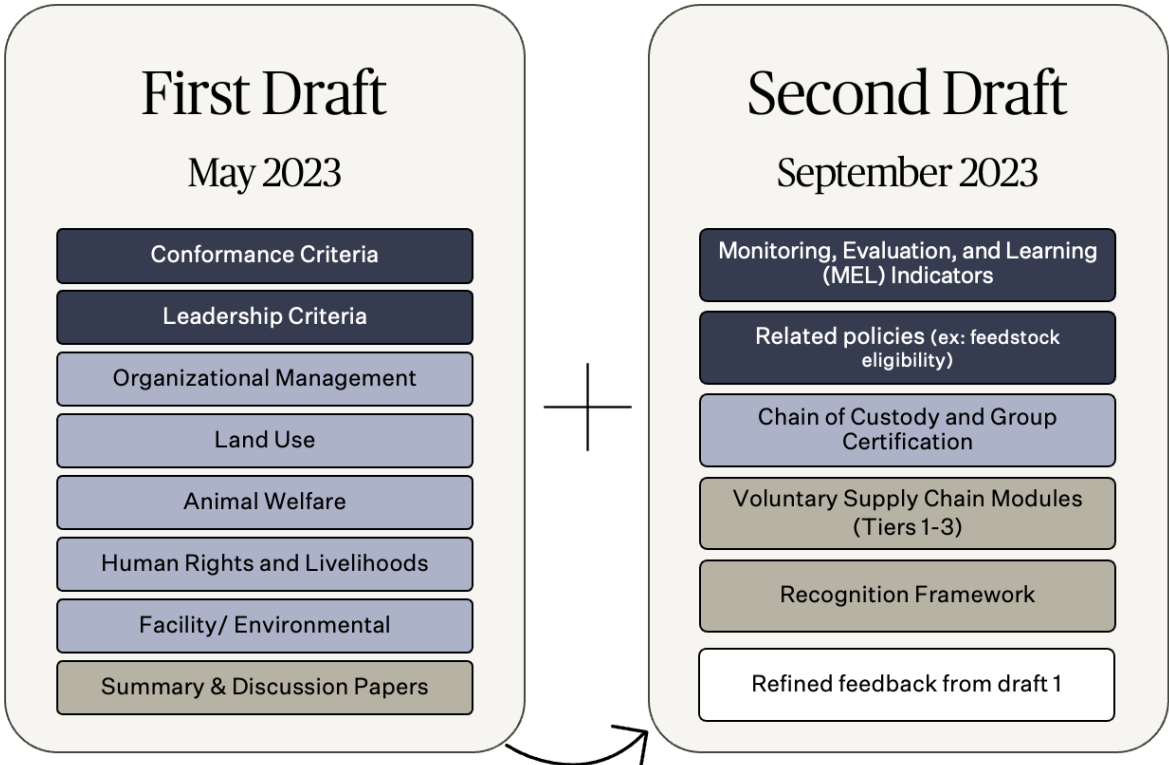
## Timeline

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*

The unified standard Draft 2 has captured relevant feedback received from stakeholders. The following information provides details on content that is new since the first draft. New content ranges from changes to standard criteria from Draft 1 to Draft 2, new sections that were not in Draft 1, as well as new concept areas being developed that supplement the standard.

We received feedback in Draft 1 on language used in the criteria such as “meaningful” and “moving towards.” These terms are generally used in “Leadership” criteria, meaning these criteria are not

mandatory to be met for certification but are considered aspirational and moving in the right direction towards desired outcomes. Leadership criteria also provide insight into areas that may become conformance-based requirements in a future version of the standard.

In the case of MMCF materials, there was a void created due to the removal of ZDHC MRSL criteria in Draft 1. To fill this gap, there are some new criteria specifically introduced for MMCF materials. For more information, please refer to the “Facility” section below.

The existing material category in the unified standard is inclusive. For example, for the "MMCF" material category some criteria are applicable to both virgin and recycled MMCFs, and sometimes MMCF material category criteria can be applicable to virgin and recycled pulp as well. Clarity has been provided in the Performance Determination of the respective criteria for their relevant material category.

Although the present version of the ZDHC MMCF guidelines does not cover pulp production, the work to revise the guidelines is currently in process by ZDHC and is scheduled to be completed in 2024.

## **Updates from Draft 1**

### **Facilities Section**

The ZDHC MRSL criteria were removed from the unified standard Draft 1 as the ZDHC MRSL guidance was not meant for the part of the supply chain covered by the standard (i.e., first processing where the chemicals used in the manufacturing are building blocks and cannot be replaced).

We therefore took steps to replace the ZDHC MRSL and add chemical requirements that would work at this tier of the supply chain. In the second draft, we have introduced several new criteria that are more relevant to the first processing of MMCFs (both virgin and recycled). Below is the summary of changes made to Draft 2 based on the feedback received on the first draft.

### **Chemical Management and Restrictions**

The MMCF facilities manufacturing cellulosic fibers/filament, irrespective of the feedstock (virgin/recycled), must meet at minimum the “Foundational” requirements as set in the latest version of the ZDHC MMCF guidelines.

Additionally, we have introduced specific criteria on the prohibition of chlorine-based bleaching of pulp and included criteria around responsible manufacturing of pulp by implementing EU-BREF, production of pulps, or implementing ZDHC MMCF guidelines.

### **Water Use and Discharge**

In this sub-section, we have clarified a requirement on effluent discharge applicable to off-site discharging facilities such that they are exempt from meeting requirements outside of legal parameters. Also, we reiterate that the ZDHC MMCF guidelines are to be followed for effluent discharge for both virgin and recycled materials.

### **Energy Use**

In the energy use sub-section we have introduced new criteria for pulp manufacturers to recover value from their spent liquors by generating 50% on-site electricity and steam.

## Human Rights and Livelihoods

The Human Rights and Livelihoods section included within the unified standard Drafts 1 and 2 aims to apply a systems and risk-based approach that aligns with OECD recommendations for supply chain due diligence. Some of the criteria are similar to those within the Responsible Animal Fiber standards; other criteria focus more on the implementation of systems beyond those in our current standards. The criteria within the drafts are applicable to tier 4/raw material/ first production levels across each fiber and material category, with some specific conformance threshold differences to allow for relevance and accessibility to certified sites in different contexts.

Between Draft 1 and Draft 2, we have focused on increasing the clarity of the criteria as well as the applicability to small organizations and those which are operating as part of a group. A criteria overview and purpose table have been added to the Annexes to give an understanding of the context and intention behind each criteria category.

Some of the criteria have been combined to show the steps between policy and procedure development, risk assessment stages and proof of implementation. There have also been some adjustments to the performance determinations to allow small organizations more informality within their systems and approach.

Adjustments were also made to some levels of conformity, including where some of the most serious labor right harms are identified without remediation plans in place. In those cases, the level of conformity can be raised to critical.

## Monitoring, Evaluation and Learning Indicators

Through our Climate+ strategy, we have set out to guide the global textile industry towards achieving a 45% reduction in greenhouse gas emissions by 2030. To get there, our focus is holistic and interconnected with accelerating the adoption of responsible practices related to chemical management, water use and discharge, energy use, and waste management. To facilitate this, a Monitoring, Evaluation, and Learning (MEL) framework is being built to include indicators linked to our Climate+ goal to monitor the implementation and performance of interventions to check their effectiveness.

In addition to the independent evaluation of conformance-based criteria required for certification, MEL indicators are included to monitor interventions related to the impact that the standard is working towards. In this regard, MEL indicators checked over time are an indication of whether the implementation of specific practices is moving in the direction of desired outcomes.

Data contributing to unified standard MEL indicators is planned to be captured in the criteria as well as through the use of a Facility Questionnaire that is administered by the certification body and completed by the organization. For Draft 2, criteria is included requiring that the Questionnaire be completed by the organization as part of the audit process.

Standard criteria that relate to information that can be measured and monitored for interventions are tagged as “MEL Indicator,” including criteria that can be used to monitor the effectiveness of the standard over time. Designation of MEL indicators does not mean new criteria have been added, but rather that indicators provide visibility on information as part of the standard that may be used in monitoring and evaluation.

Broader system information to connect different monitoring areas could include the number of certified sites, volume of certified material, market share of certified materials, and non-conformities issued, for example.

## Recognition

The unified standard scope includes proposed raw materials that we have not previously included at the tier 4 production level in our current standards. When we look at new raw materials, our goal is to first consider opportunities for developing recognition partnerships.

Recognition in the unified standard represents forming a partnership to collaborate on standard systems in an effort to combine forces, reduce redundancy, and work towards positive impacts faster, and together.

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.

We are looking at a wide range of raw materials as well as impact areas (e.g., human rights and livelihoods) to recognize verification systems, meaning the recognition framework will include different models. The recognition model will depend on the material and the peer organization as an effort to be adaptable to meet different needs based on areas of alignment and opportunities for growth.

Forest-derived inputs for MMCF production that come from responsible forest management operations are a candidate feedstock for recognition. MMCF is a strategic fiber to include in our future standard system in alignment with our Climate+ goal, but we also acknowledge that there are peer organizations that have already developed expertise and invested in standards for virgin MMCF inputs. The recognition model for forest-derived feedstocks is not yet defined, but options in the draft framework include:

**Growth partnerships:** A partnership model is formed between our organizations to collaborate on growth areas committed to the Climate+ goal and targets.

**Specified recognition:** Verification evidence from recognized systems is accepted for the specified impact criteria in place of the applicable criteria being evaluated for the unified standard.

**Full recognition:** Materials from recognized standards are eligible to enter the unified standard system at certified sites.

In all models, recognition partnerships include a commitment to shared measurement of impact areas, participation in aligned standard system tools (e.g., Trackit), and an opportunity to create a unified platform across standard users and brands to engage with.

The draft recognition framework will be available for review and circulated to stakeholders when the draft document is ready.

## Voluntary Supply Chain Modules

The scope of the unified standard is for raw material production systems and the stages of first processing of that material. In some sectors, raw material management is referred to as tier 4. We are categorizing the pre-spinning phase of processing to be tier 3.5. The impact areas (e.g., chemical use, human rights and livelihoods), covered in the draft criteria development for the unified standard are focused on these parts of the supply chain. Materials certified in the unified standard, or accepted through the recognition framework will enter the rest of the supply chain for tiers 1-3 through the Content Claim Standard (CCS), which is focused on the chain of custody requirements for tracking and handling, as well as volume reconciliation.

This means the current standard development does not cover impact-related requirements for chemical management, waste management, water use, energy use, emissions, and human rights and livelihoods for supply chain sites in tiers 1-3. This is for manufacturing stages covering the processing of materials into yarn and other intermediate products, fabric and trim production, and final product manufacturing and assembly.

We will be soliciting feedback on options for having related impact areas accommodated in the unified standard/CCS system. Currently, we are considering how we can leverage partnerships with other verification systems as a way to offer voluntary modules in conjunction with the CCS. Connecting voluntary modules for different impact areas to the CCS will enable our shared measurement system (SMS) to capture related verification data attributed to certified materials in an effort to offer a single source of truth for certification data.