Recycled Materials

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 27 and November 12. 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) 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

First Draft
May 2023
- Conformance Criteria
- Leadership Criteria
- Organizational Management
- Land Use
- Animal Welfare
- Human Rights and Livelihoods
- Facility/Environmental
- Summary & Discussion Papers

Second Draft
September 2023
- Monitoring, Evaluation, and Learning (MEL) Indicators
- Related policies (ex: feedstock eligibility)
- Chain of Custody and Group Certification
- Voluntary Supply Chain Modules (Tiers 1-3)
- Recognition Framework
- Refined feedback from draft 1
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 on areas that may become conformance-based requirements in a future version of the standard.

The existing “Recycled” material category in the unified standard is inclusive of all types of recycled materials across different fibers and materials. However, some criteria with the recycled material category are exclusively applicable to recycled synthetics, in which case this will be specified in the Performance Determination information.

In the case of recycled materials, there was a void created due to the removal of the ZDHC MRSL criteria from Draft 1, and hence to fill this gap new criteria have been specifically introduced for recycled synthetic materials. For more information, please refer to the Facility section below.

ZDHC is also committed to develop responsible manufacturing (solvent recovery and effluent discharge) guidelines around synthetics, starting with polyester, covering both virgin/recycled fibers, which is scheduled to be released by June 2024.

Updates from Draft 1

Facility Section

The ZDHC MRSL criterion was removed from the unified standard Draft 1, as the ZDHC MRSL guidance was not meant for Tier 4 facilities (i.e., first processing where the chemicals used in the manufacturing are building blocks and cannot be replaced). Therefore, it is necessary to replace the ZDHC MRSL and add chemical requirements that would be more suitable for this tier of the supply chain. Hence, in the unified standard Draft 2, we have introduced several new criteria that are more relevant to the first processing of recycled materials. Below is the summary of changes made to the unified standard Draft 2 based on the feedback received on Draft 1.

Chemical Management and Restrictions

For facilities manufacturing recycled synthetic fibers, we have introduced criteria on solvent recovery by either implementing EU-BREF or by implementing guidelines that will be released by ZDHC around responsible fiber manufacturing of synthetic fibers. For MMCF specifically, a related criterion is included that requires meeting the foundational level in the ZDHC MMCF guidelines.

Additional criteria are introduced around the prohibition of Organotin compounds in the manufacture of recycled Elastane and lead-based pigments in recycled Polypropylene.

We have also added a “Leadership” criterion related to setting targets for meaningful improvements on the recovery rates of solvents on a year-on-year basis. As a leadership criterion, this means it is not required to be met for certification, however, certification bodies may choose to report on actions taken by certified organizations to demonstrate improvement over time.

For all types of recycled materials, we have introduced criteria for testing. Apart from testing pellets/fibers/filament in Draft 1, Draft 2 includes another criterion for testing reclaimed textile feedstock. Pre-consumer reclaimed textile waste coming from certified/sustainable textiles is exempt from testing, but post-consumer reclaimed textiles should undergo testing for restricted substances. This is proposed as a “Leadership” criterion in the first draft to allow time for organizations to adjust to this practice becoming conformance-based in a future version of the standard.
**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.

Draft 2 provides guidance in the performance determination for facilities to adopt guidelines that are planned to be released by ZDHC on polyester that will include requirements related to wastewater discharge.

**Human Rights & 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 our current standards. The criteria within the drafts are applicable to tier 4/raw material/first production levels across each 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 smaller organizations and those that are operating as part of a group. A criteria overview and purpose table has been added to the Annexes to give an understanding of context and intention behind each criteria category.

Some of the criteria have been combined to show the steps between policy and procedure creation, risk assessment stages, and proof of implementation. There have also been some adjustments to the performance determination requirements to allow smaller 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, the level of conformity can be raised to critical.

The final criterion of the Human Rights & Livelihoods section is applicable to recycled materials only: Management of Waste Collection for Recycled Inputs. This criterion has been expanded, following feedback from the consultation, to apply also to more formalized forms of waste collection, rather than only the informal sector.

**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 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 implementation of specific practices are moving in the direction of desired outcomes.
Data contributing to unified standard MEL indicators are 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, a criterion 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 that can be monitored and evaluated within the standard.

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.

**Related Policies**

Complete standard systems include related policies that support requirements and are not specific to the criteria evaluated during an audit. Example policies include ASR-104 Policy for Transaction Certificates and CCS-105 Alternative Volume Reconciliation Policy. There are requirement areas specific to recycled materials that are being revisited, specifically around minor adjustments to the definitions for inputs accepted as either pre-consumer or post-consumer reclaimed, as well as the feedstock eligibility review and approval process.

Changes to these related areas are core to the applicability of recycled materials in the unified standard system so there is a plan to share draft documentation with details when these are ready for feedback.

**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 duplication 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. Alternatively, adding to the proliferation of standards, audits, and certificates in the marketplace is counter to driving impacts.

We are looking at a wide range of raw materials as well as impact areas (e.g., human rights & 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.

There may be candidate feedstocks and processing for recognition as well as opportunities to consider impact areas where other verification systems may apply, for example, related to chemical management or human rights. Options for different recognition models 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 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 & 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 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 & livelihoods for supply chain sites in tiers 1-3. This is for manufacturing stages covering 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 management system (SMS) to capture related verification data attributed to certified materials in an effort to offer a single source of truth for certification data.