Global Recycled Standard Terms of Reference

The following Terms of Reference (ToR) will be used to guide the work that will be done on the Global Recycled Standard. The TOR help to define the research to be done, the stakeholders to engage, and the requirements and certification practices of the standard. As we move forward with these steps, we expect to uncover more information about industry interests and practices that may cause us to revise these terms of reference.
All changes will be made with the approval of the Steering Committee and Technical Group, and the full IWG will have the chance to give input.

****We plan to discuss the possible use of the GRS processing requirements as a separate modular standard that could be applied to any raw material.***

Purpose

The goal of the GRS is to increase use of recycled materials in products and reduce/eliminate the harm caused by its production.

The objectives of the GRS are:

- Alignment of definitions across multiple applications.
- Track and trace recycled input materials.
- Provide customers (both brands and consumers) with a tool to make informed decisions.
- Reduce harmful impact of production to people and the environment.
- Provide assurance that materials in the final product are actually recycled and processed more sustainably.
- Drive innovation in addressing quality issues in the use of recycled materials.

Scope

The Global Recycled Standard is intended for use with any product that contains at least 20% recycled material. Each stage of production is required to be certified, beginning at the recycling stage and ending at the last seller in the final business-to-business transaction. Material collection and material concentration sites are subject to self-declaration, document collection, and on-site visits.

<u>Recycled input validation</u>

- ISO 14021 definition of recycled materials
    - Must list pre- and post-consumer volumes
    - Does not include re-use, up-cycling, down-cycling
- Reclaimed Material Declaration Form
- Collection and concentration stages subject to self-verification plus random third party verification, but not to full certification
- Recyclers required to be certified

<u>Chain of Custody</u>

- All GRS certified sites are required to meet requirements of Content Claim Standard, whereby the "Claimed Material" is recycled material from an approved supplier, and backed up with a Reclaimed Material Declaration Form

*Social Responsibility

- All GRS certified sites are required to meet social requirements
- Facility-based requirements (ie apply to all production whether it is GRS or not)
- Based on International Labor Organization (ILO) Conventions

*Environmental Responsibility

- All GRS certified sites are required to meet environmental requirements
- Facility-based requirements
- Based on revised Environmental Indicators from Global Social Compliance Programme (GSCP)

*Chemical Use

- All GRS certified sites required to meet chemical requirements
- Product-based requirements (only applies to GRS products)
- Manufacturer's Restricted Substance List (MRSL) – chemical restrictions apply to use by manufacturer
- No testing of input reclaimed material
- No RSL applied to final products

The GRS will not address:

- Quality
- Legal compliance

Intended users of the GRS are recyclers, manufacturers, brands, retailers, certification bodies, and organizations supporting recycled material initiatives.

Needs Justification

The justification for needs is based on the requirements unique to GRS: social, environmental and chemical. See RCS Terms of Reference *for Needs Justification for Recycled Input Validation.*

1. There is no other globally applicable, third-party independent standard that combines recycled material verification with social, environmental, and chemical processing requirements.
2. There are multiple processing standards that make it difficult for suppliers to communicate their sustainability attributes in a concise way.
3. There are unique issues with chemicals in products that contain recycled material.

Risk Assessment/Risk Plan

1. Incorrect or inconsistent certification results.
   - *Strong guidance for certification bodies; training, tools*
   - *Key to be transparent and to have a process to capture lessons learned*

2. Deliberate misleading of auditors by sites being certified.
   - *Training of sites being certified, so that they understand the goals of the Standard and buy into the process*
   - *Strong accreditation requirements of CB's*
   - *Ensure that audit points are easily verifiable; give objective measures for auditors to apply*

3. Lack of understanding of standard's requirements by sites being certified.
   - *Training, tools*

4. Introducing increased costs and complication to the supply chain.
   - *Involvement of stakeholders in the development process so that the standard is practical in its application*
   - *Use of CCS to overlap with certification to other TE standards (OCS, RCS, RDS, RWS)*
   - *Encourage brands to push greater volume through narrower supply chains; to keep the cost per unit to a minimum*
   - *There is a lot of basic education to be done to explain the certification processes; give greater support to brands to reach and educate their supply chains*
   - *Use equivalency process to recognize standards that the supply chain is already using*

5. Conflicts with legislation or with other standards
   - *Include disclaimer that local legislation takes precedent*
   - *Research existing standards*
   - *Set up procedures to address any conflicts in the future*
   - *Address Labeling Legislations – for development of our own labeling requirements*

6. Corruption
   - *Sufficient checks and balances in the certification process*
   - *Use of local certifiers to know what the underlying issues and behaviors are, and to look out for areas of potential problem*

7. Standard proliferation, audit fatigue, confusion
   - *Build in recognition of existing standards*
   - *Conduct gap analysis of close standards, including CB-owned standards and country standards for procurement*
   - *Create a standard that is globally applicable, to drive the industry towards a single approach*
   - *Have a modular standard – create alignment with existing standards on the core module*

8. Managing updates in recognized best practices, especially in chemical use
   - *Ongoing research by group between standards revisions*
   - *Reference to existing assessment tools with ongoing research*

9. Consistent application of social and environmental requirements across regions around the world
   - *Collect feedback from currently certified sites*
   - *Research derogations of existing standards and certifications*
   - *e.g. how have other standards accounted for workers desire for longer work weeks?*

10. Limitations of what can be observed in one audit per year
    - *Documentation checks*

- *Additional unannounced audits*
- *Random audits*
- *Worker interviews*