

RCS GRS Revision Call – February 15, 2017

Input Verification, Social, and Environmental Requirements Draft Changes

Attendees:

- Evan McElhinny – Thread International
- Meredith Merritt – NSF
- Deepak Goel – Geetanjali Woolens
- John Graebin – Deckers Outdoor
- Ashley Gill – TE
- Lee Tyler – TE
- Mahesh Nabadawewa – Control Union

Input Verification

- 1. Reclaimed Material Declaration Form (RMDF) changed to Input Supplier Agreement**
 - a. The updated agreement includes stronger agreement that allows CB to visit, mentioning the name of the certified organization and the Certification Body. The Material Declaration Form still exists separately. The agreement template includes the CB to be explicit about who is allowed to inspect them.
- 2. Additional information should be on the RMDF.**
 - a. An RMDF would still be required to be kept on file for all incoming material, to be updated every 12 months or if any information changes.

Discussion:

- Recyclers gather garments from collectors that do no paperwork at all.
 - Currently, recyclers verify that material is post-consumer because it sold very cheaply and in bales with lots of variation. If it were pre-consumer, it would be more homogenous and more expensive.
 - There is a certificate of origin that is legally required in some places, but it may not list the actual country.
 - The larger business with operations in EU would have no problem signing additional documentation, but smaller companies may not. Some flexibility should allow for variations to these requirements in cases of lower risk.
 - Risk criteria should be introduced to be able to identify situations like this and allow the recycler to demonstrate a low risk situation. TE will look at adding in risk criteria for the relationship with Reclaimed Material Suppliers.
 - One key point of risk is that boxes for post-consumer garments in store may also include defected garment from the shop floor. This should be controlled by the collector and caught during the inspection of the material recycler.
- 3. We will not introduce any criteria of recyclability to the standard.**
 - 4. Removal of the added “by-product” explanation.**
 - a. Additional information explained when “by-product” could be considered a reclaimed material. It seems better to remove reference to the term by-product, and instead to list examples of pre-consumer and post-consumer materials.

- b. The feedback that “a new term of byproduct should be introduced” was decided not to be included because it made identification more complicated.
 - c. A brand is collecting a lot of used garments in store. Some are unsellable garments that store staff have tossed in but are pre-consumer (e.g. torn). So that would be pre-consumer mixed in.
- 5. **Remake definition** – this is a new possible definition from feedback. TE decided to allow this under certification but not allow the RCS or GRS logo to be used – this will be added to manual guidance and not the standard.
- 6. **Minimum % recycled content threshold in GRS**– instead of altering the 20% minimum or making a list of materials that may be exceptions, TE proposes a process of derogation through the CB to allow for instances where the minimum 20% content is not possible. TE will keep a list of all requested and granted derogations. CBs will have to notify TE before granting the decision.
 - a. Guidelines need to be given on limitations of the derogations in the manual and how to grant them.
 - b. A Gold/Silver/Bronze category could be used to distinguish higher content percentages. 75%+ could be gold, 50%-75% Silver.
 - i. Some agreed with this idea, should provide incentive for companies to use higher percentages of recycled content.
 - ii. But this could also create consumer confusion, when listing the percentages is clearer. It is also not always the case that a higher content percentage is possible.
 - iii. Suggestion to shelve this until another version of the GRS to combine the content, social, environmental, and chemical together to recognize innovation with manufacturers. Even if it does not appear on the final label, a site level recognition could be great motivation for innovation.

Social Requirements

1. We need to be clear about minimum time it takes to review social requirements. It can be based on number of employees, type of manufacturing (e.g. manufacturing is more dangerous), etc. The SAC Social Labor Convergence project is producing an assessment tool for social requirements. So TE is considering equivalence or referencing at a later time (it won't be released until 2018).
 - a. Competition among CBs, audits from brands, and other 3rd party standard audits make time on site really long. 2-3 days only for social criteria does not make sense. CBs can shorten audit time by looking at other social audits. Since they are by the same CB, then they have confidence that it was done correctly. But if it is another CB, then both CBs get the blame. We would like more guidance on social criteria. Some standards have yes/no or tick a box, which takes a long time to go through sometimes. There is no consistency among CBs.
 - i. How many GRS clients do not already have social certification already? We did not capture this data. A CB has offered to get more information on this point.
 - ii. TE to make a smaller social group of CBs to figure this out.

- b. Minimum time spent is hard to figure out for all the standards, but would be great to have for us CBs. Basic knowledge of the standard is having to be conveyed to sites and adds to time of audit.
 - i. CBs cannot train or advise, but TE is working on developing a stronger website for the recycled standards, and this can be a good resource for potential clients.

Environmental Requirements

1. Additional requirements have been included to require targets to be set and met for all environmental indicators.
2. Chemical management systems has been moved to the environmental section
3. Wastewater parameters could be adjusted to match ZDHC's wastewater guidance document. It is much longer list of parameters and would make it more difficult.
 - a. TE wants to line up our requirements against their "Progressive" list.
 - b. Are there any additional parameters (from the ZDHC list) we should include?
 - c. We would like to update our allowed test methods to include those listed within ZDHC (Standard, EU/US, and China)