

RCS/GRS Revision IWG Call – Social and Environmental Criteria

August 31, 2016

Recording: <https://youtu.be/6ou9UqvNd-c>

Social and Environmental Modules only apply to GRS, not RCS. The entire facility needs to meet the requirements, while the chemical module and chain of custody (CCS) only apply to the GRS products themselves.

- Environmental Requirements:
 - Environmental Management System
 - Energy Use (*measure and reduce impact*)
 - Water Use (*measure and reduce impact*)
 - Wastewater/Effluent (*measure*)
 - Emissions to Air (*measure*)
 - Waste Management (*measure and reduce impact*)
- Social and Labor Requirements
 - Social policy
 - Forced, bonded, indentured and prison labor
 - Child labor
 - Freedom of association and effective recognition of the right to collective bargaining
 - Discrimination, harassment and abuse
 - Health and safety
 - Wages, benefits and terms of employment
 - Working hours

Both Social and Environmental requirements were originally taken from GSCP with some additional wording for clarity.

- **GSCP Reference Codes**

Audit Methodology listed in the GRS could use some more guidance, TE will work on this.

- **Reference to ILO** – Any ILO Convention for that country needs to be met, our understanding is that they are basically equal to country law.
 - Is there still an implication for the site if they do not meet an ILO convention? We are not sure. FSC or another ISEAL standard said they do not specifically prohibit child labor,

but separately from their standard they have said you will lose your certification if you are found to have child labor. GRS could have a similar statement separate from the standard so CBs do not have to audit against ILO, but if they are found to violate it (reported), then it could affect their certification.

- As a GRS supplier, we tell clients that we are certified to GRS but still insist on BSI, SEDEX, WRAP audit, etc. Today no one is willing to accept a GRS social audit. Even if we increase the requirements, the buyers would still require their own or another. For GOTS, brands and retailers do require their own. Some duplication occurs. We are working toward accepting some other standard audits.
- Recycled Task Force Roundtable - asked if other standards like GOTS would incorporate another social standard. Some feedback that TE received was that audit methodology was not clear, so we are wondering if we make that better if they would start to accept just GRS.
- If requirements are already covered by BSCI, WRAP, or another, the requirement does not need to be audited for. Those reports can be used as reference to reduce duplication, but still want to keep a strong audit

Industry Alignment - Social

- **Benchmarking:**
 - GOTS
 - WRAP
 - STeP
 - The Higg Index (questions from the facility module)
 - Social and Labor Convergence Project (assessment)
 - BSCI
 - SEDEX
 - New FairTrade for textiles

Industry Alignment - Environmental

- **GSCP Reference Codes**
 - **Benchmarking:**
 - GOTS

- STeP
- The Higg Index facility module questions
- ZDHC (wastewater)
- Bluesign (wastewater)

Bluesign requirements were not possible to get to, as they do not share them. Bluesign and STeP will likely be affected by what ZDHC comes out with. It has just come out of peer review and be scheduled to be released in after November meeting.

Feedback – Social

- **Auditing Methodology:**
 - Verification of compliance: add additional information on what is required, taken from GSCP Audit Methodology *Should TE take these and apply in GRS?*
 - *If companies have an existing environmental management system in place already, should this affect their audit? The compliance portion (health and safety)*
 - If children are found to be working directly or indirectly for the Certified Organizations, the latter shall seek a *sensitive and satisfactory solution* that puts the best interests of the child first.
 - Suggestion to add guidance here (taken from Audit Check, GSCP):
 - **Example:** 1) Ensuring the child no longer works. 2) Establishing a method of keeping the child protected and safe without them being at risk or required to work. 3) Contact details of the child and their parents. 4) Payment of a stipend. 5) Identification of education programmes for the child.
 - *TE suggests that this could suspend GRS certification and the only way to get them to reinstate it is to remedy the child's situation similar to the above manner. Otherwise, it is odd for GRS to manage this like a company punishment.*
- B2.5c Certified Organizations shall provide access to adequate medical assistance and facilities. (?)
 - *This shall include appropriate **first aid (trained staff, adequate equipment and supplies) provided on-site**. Management shall have procedures in place to give workers access to medical assistance in case of emergency. Management shall respect national law on medical assistance and first aid.*
 - *In case of a **work-related accident** the employer should be responsible to ensure that the worker gets medical assistance; this may mean insurance to cover potential costs.*

Feedback – Environment

- Requirement for “meaningful improvement” – Should GRS see a % of improvement in **air quality....**(energy, water, waste management already exists)? CBs should be able to determine what meaningful improvement is because companies vary so widely. Companies need to set their own targets of what is achievable. In China, companies have to get a permit from the government for waste water and have to follow the Chinese requirements. Should the Chinese national waste water discharge standard be accepted or benchmarked? The standard addresses the volume of waste water and pollutants. Provisional government monitors the volume, so the factory has to follow the legal requirements and would be best to let them decide.

Meeting the legal requirements is one thing, but what about improvement beyond that? Or off-site waste water treatment? A CB could see the legal published parameters but must still see what is actually happening. CBs should trust the China government reports on waste waters because auditors cannot travel far to check the off-site waste water. Even ZDHC leaves the legal compliance to the factory to ensure they comply with the local area. GRS will keep the requirements that are higher in areas where legal requirements are lower. TE will review Chinese standards.

- Annual improvement?
 - Detailed targets?
 - Definition of “meaningful”
- How to address improvement for those with leading practices? Those that are doing the best already, should we require them to improve (e.g. 5% each year)?

This assumes what best practice already is. It is not in the GRS currently at all. We could detail what these leading practices are (or how to determine it) in order to be consistent. It will vary from industry to industry.

Environmental management systems is a GRS requirement. They must measure and set improvement targets as part of that.

STeP wording is “continuous” improvement. They have to demonstrate continuous improvement during each audit. TE will look at this wording and try to align with STeP for recognition during an audit.

- Need better wastewater testing guidance.
 - **Auditing Methodology:**
 - Verification of compliance: add additional information on what is required, taken from GSCP Audit Methodology

Action Items

- Send any additional feedback to Ashley or Lee
- Respond to Doodle Poll for next topic: Chemical

IWG Charter