



The Responsible Wool Standard (RWS) in Action

Presenters





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Meet The Integrity Team





Agenda



- RWS 2.0
- RAF
- Chain of Custody
- Common Certification Questions
- Labeling and Claims
- Content Claim Standard 3.0
- RWS in Action
- RWS adoption
- Supplier forecasts





- Ensure that wool does not come from animals that have been subjected to any unnecessary harm.
- Reward and influence the wool industry for strong animal welfare and land management practices.
- Provide robust chain of custody from farm to final product.
- Create an industry benchmark to drive improvements in animal care and land management where needed.



Farm Scope





Animal Welfare; Land Management; Social Welfare



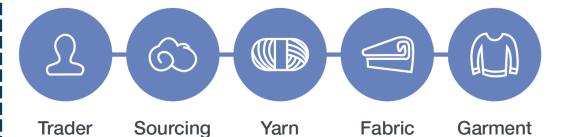
Farm

RWS Certified Wool



Processing

All processing steps must be certified to make sure the chain of custody is maintained to the last level of production.



Supply Chain Scope: Chain of custody



Retailer

Desired outcomes: Animal Welfare

Nutrition: Access to sufficient feed and water suited to the animals' age and needs to maintain normal health and to prevent prolonged hunger, thirst, malnutrition or dehydration.

Living environment: Animals are kept in an environment that provides the conditions and facilities needed for health, safety, comfort and normal behaviour.

Animal management: Animals are managed in a way that promotes good health and prevents disease. Sick or injured animals are treated. Husbandry operations are carried in a way that minimizes pain and distress.

Handling and transport: Good human-animal relationships are in place and animals are handled and transported around the farm and off the farm in a way that protects welfare.

Management, plans and procedures: Farmers have a clear strategy and set of protocols to safeguard the welfare of the sheep, and to demonstrate compliance to the RWS.



Desired Outcomes: Land Management

Soil: Farmers have an understanding of what will impact the health of their soil, and have a strategy to mitigate damage and improve soil health.

Biodiversity and water: Farmers have an understanding of what will impact the biodiversity of their land, and have a strategy to protect and improve it over time

Fertilizers: Farmers use the minimum amount of input to meet the nutritional needs of their land to maintain their carrying capacity.

Pesticides: Farmers use the minimum amount of pesticides to achieve adequate control of pest burden on their farm



Carbon farming and grazing

"...I've always known that the greatest value we bring as managers of working landscapes goes beyond the harvests -- it's the positive impacts to soil, grasslands and the greater ecosystem. Therefore, our next step will be to document the *climate impacts* of our ranching practices."

Jeanne Carver, Imperial Stock Ranch

The RWS is collecting and aggregating information on regenerative grazing practices on all RWS farms.

The **Shaniko Wool Company Carbon Initiative** takes this work forward with a pioneering initiative to measure the aggregate value of combined land management impacts and quantify wool's contribution.





Desired outcomes: Social welfare

Social welfare and forced labor: The farmer demonstrates good practices with regard to fair hiring, which is free of discrimination and intimidation and directly combats risk factors for forced labor.

Child labor: Children are protected from exploitation, not engaged in dangerous work, and able to participate fully in formal education. Children are able to safely learn farming from their family members by engaging in age-appropriate activities outside of school hours and lessons.

Working conditions and conduct: Workers work in a respectful environment, free from all forms of discrimination, harassment and abuse. Workers are enabled to speak out and have their concerns addressed in a clear, timely, and courteous manner.

Freedom of Association and Collective Bargaining: All workers are free to organize and collectively bargain without interference or penalty from farm management.

Wages and benefits: Workers receive payment in a transparent and consistent manner that is non-discriminatory and provides for appropriate rest and leave for the worker.

Communities: Farm activities respect the rights of and have minimal negative impact on communities.

Health and safety: Workers work in facilities and environments that are safe and healthy.





Responsible Animal Fiber Standard: RWS v2.0 and RMS v1.0



























Animal Welfare Framework



Module	Desired Outcomes	Categories	Topics
Nutrition	Access to sufficient feed and water suited to the animals' age and needs to maintain normal health and to prevent prolonged hunger, thirst, malnutrition or dehydration.	Food, water, deprivation periods, emergency measures	Provision of feed, time to adapt to new feed, water, reasons for and limits on feed/water deprivation, emergency measures
Living Environment	Animals are kept in an environment that provides the conditions and facilities needed for health, safety, comfort and normal behavior.	Indoor Environment, Outdoor Environment	Infrastructure - construction and maintenance, cleanliness and air quality, thermal comfort, flooring, space allowances, prohibition on close confinement, lighting, enrichment, noise, acces to outdoors (pasture), shade / shelter, fencing, stocking density, protection from predators.
Animal Management	Desired outcome: Animals are managed in a way that promotes good health and prevents disease. Sick or injured animals are treated. Husbandry operations are carried in a way that minimises pain and distress.	Inspection, preventative management, treatment, painful procedures, identification, foot health, fibre removal, breeding and birthing, artificial rearing and weaning, euthenasia and onfarm slaughter	Inspection, health planning, treatment of health issues, controlling parasites, justification for painful procedures, competency and equipment to carry out painful procedures, castration and spaying, tail docking, mulesing, disbudding, dehorning, horn trimming, bill trimming and debeaking, identification, lameness, fibre removal, breeding, pregnancy and birthing, artificial rearing and fostering, weaning, isolation, group management, euthanasia
Handling and Transport	Desired outcome: Good human-animal relationships are in place and animals are handled and transported around the farm and off the farm in a way that protects welfare.	Handling, working animals, transport	Handling, movement on foot, herding animals, livestock guardian animals, loading / unloading, transport conditions, transport space allowances, transport times, vehicle condition, fitness for transport
Management, Plans and Procedures	Farmers have a clear strategy and set of protocols to safeguard the welfare of their animals, and to demonstrate compliance to the relevant TE standard.	Legal compliance, scope of certification, access to the certified site, records and plans, qualifications and training	Legal compliance, parallel/ dual production, other domestic animals, access, records, health and welfare plan, mortality records, emergency plans, biosecurity and disease prevention, qualifications and training.

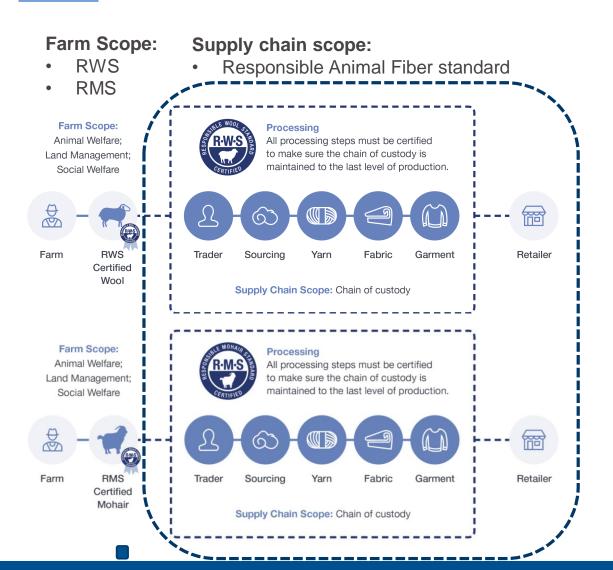
Animal Welfare Framework example



ANIMAL MANAGEMENT			nanaged in a way that promotes good health ar carried out in a way that minimises pain and dis	nd prevents disease. Sick of injured animals are tress
AW3 Inspection	·	checked with a frequency that ensures their welfare is protected	production disorders. AW4.2.1 The frequency of inspections shall be	AW3.1 The farm shall conduct routine welfare inspections and monitor for signs of disease or production disorders. AW3.1.1 The frequency of inspections shall be increased as required during, for example, extreme weather events, kidding times, flystrike etc.
AW3 Preventative management	planning	managed to prevent health problems (not just treated when they become sick or injured)	·	AW3.2 The producer shall have a management plan for flock health and animal welfare. AW3.2.1 The plan shall be reviewed at least annually. AW3.2.2 The farm shall keep sufficient records to allow assessment against the management plan. AW3.2.3 Advice shall be sought as needed from a veterinarian or specialist advisor on prevention, treatment, and strategies to avoid the development of resistant parasites.

Responsible Animal Fiber (RAF) Certification





Farm Certification:

- Separate scope certificates for RWS and RMS, but a farm/group may hold both
- Textile Exchange site fee only applies once
- Remote audit protocol to speed up RMS certification in 2020 for RWS farms

Supply Chain Certification:

- Scope certificates become RAF scope certificates by 2021 (replacing RWS scope certificates)
- Both RWS and RMS products are allowed
- Easy transition if any future animal fiber standards are added

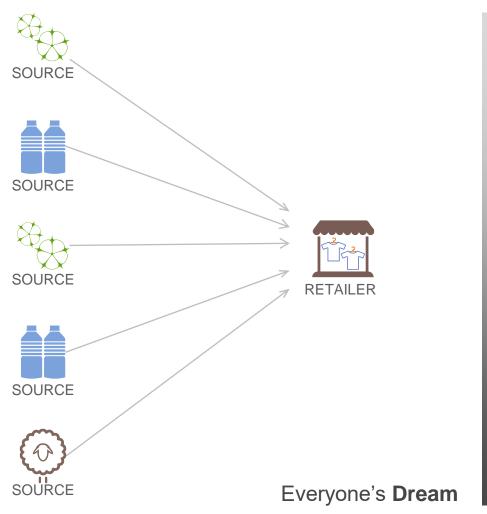


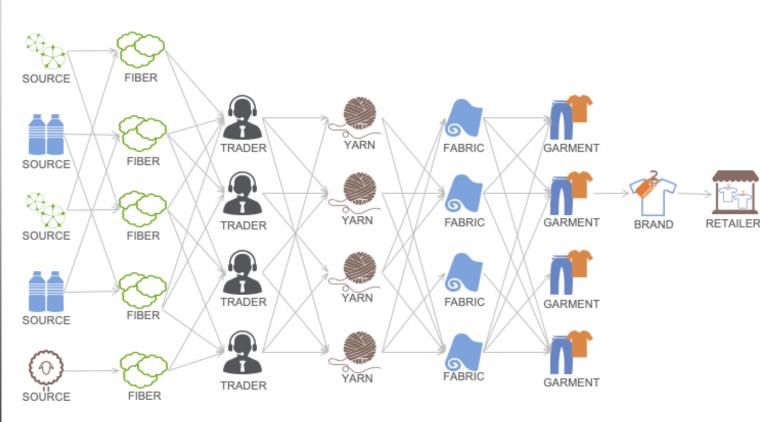
Chain of Custody

The Challenge: Managing Supply Chain Complexity

Everyone's Reality







The Solution: Principles Of Chain Of Custody





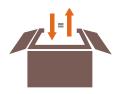
Product Identification

- Certified products are accurately identified.
- Content percentages of claimed materials are accurate.



Product Segregation

- Certified goods are not mixed with non-certified goods.
- Certified goods are stored separately from non-certified goods.



Volume Reconciliation

- Certified outgoing products match the incoming certified goods.
- (Input) +/- (production loss) = (output)

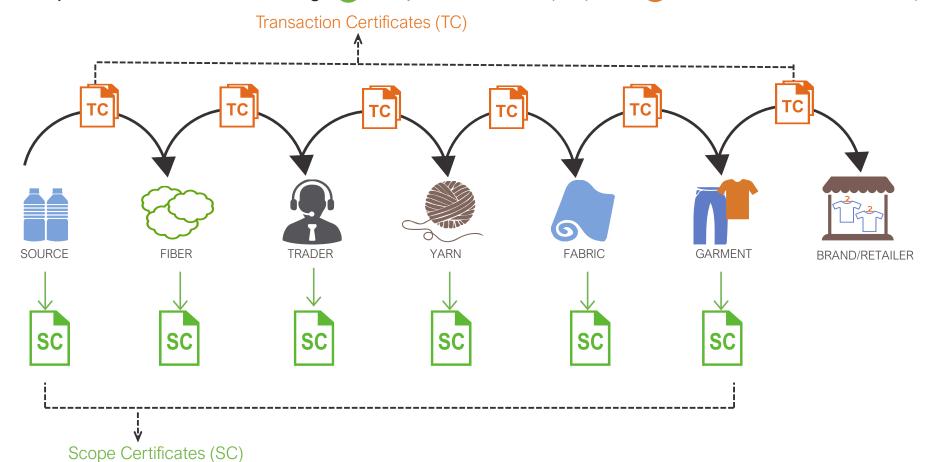
The Solution: Principles Of Chain Of Custody



The forward product path is ensured, but suppliers are able to preserve confidentiality

if desired.

The aim of chain of custody, is to preserve the identity of the claimed material, and to track its movement through the supply chain up to the final product. This is done through 1 Scope Certificates (SC) and 2 Transaction Certificates (TC)





Common Certification Questions



- 1. How do I get started?
- 2. How do I find certified suppliers?
- 3. How do I help my suppliers get certified?
- 4. How long does certification take?
- 5. How much does certification cost?
- 6. What do I need to do if I want to label?

How to get started





Make a Commitment to Preferred Fibers and Materials



Set a Target for Volume



Define Qualities & Quantities



Choose Partners



Certify the Supply Chain or Work With Already Certified Sites



Communicate. Show off your hard work!



- 2. How do I find certified suppliers?
- 3. How do I help my suppliers get certified?
- 4. How long does certification take?
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Partner with your supply chain



- ✓
 - Tap into already certified supply chains
 - ✓ review the list of certified companies on our website
 - ✓ Utilize your Textile Exchange membership to get in touch with supply chain partners
- ✓
- Work with your existing supply chain
- ✓ Understand how certification works
- ✓ Motivate and support your supply chain to get certified.
- ✓ Use Textile Exchange resources

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Find certified suppliers



THE PURPOSE OF THE INTEGRITY PLATFORM AT TEXTILE EXCHANGE IS TO ENSURE THAT ALL OF THE WORK THAT IS DONE TOWARDS SUSTAINABILITY IN THE TEXTILE INDUSTRY IS GENUINE AND LEADS TO REAL AND MEANINGFUL CHANGE. THE PRIMARY WAY THAT THIS IS ACCOMPLISHED IS THROUGH THIRD-PARTY CERTIFICATION TO TEXTILE EXCHANGE'S STANDARDS. TEXTILE EXCHANGE CREATES. ADMINISTRATES, REVISES, AND PROVIDES GUIDANCE FOR THESE STANDARDS.

STANDARDS | CERTIFICATION DOCUMEN S | FIND CERTIFIED COMPANIES | HOW TO GET CERTIFIED | INFO FOR CERTIFICATION BODIES | TOOLS & RESOURCES | CONTACT & COMPLAINTS | GIFTED STANDARDS REVIEW | FAQS



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Certification process



5. How much does certification cost?

6. What do I need to do if I want to label?



Steps to get certified



- 1. Select an approved Certification Body (see approved CBs listed on our Integrity website)
- 2. Send application
- 3. Schedule audit
- 4. On-site audit
- 5. Follow-up (if needed)
- 6. Receive Certification Decision

How much does certification cost?



It depends. Certification cost is comprised of

- CB application fee
- CB scope / audit fee
- CB auditor travel
- Textile Exchange fees
- CB transaction certificate fee

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Claims and labeling



Communicate with your supply chain

There are two types of claims that are used to communicate a standard:

- General marketing claim
- Product-specific claim

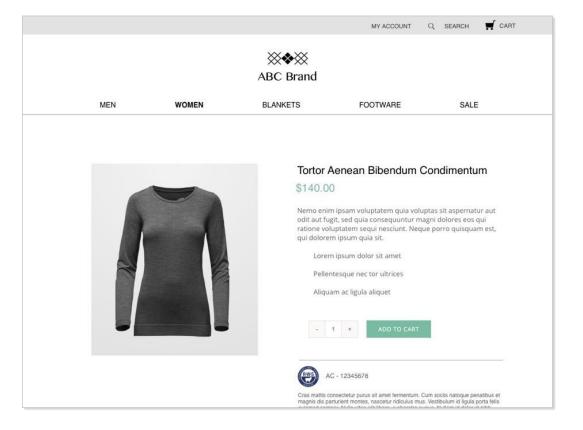


General marketing claim

Centers around a **commitment**, whereas the final product does not (yet) need to be certified.

- "I am committed to source only RWS certified wool by 2025"
- "All of ABC Brand's down duvet cover will be RDS certified by 2020"

Product-specific claim









Making claims

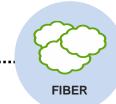


Textile Exchange Standards require all sites to be certified through to the seller in the last business-to-business transaction. Usually the last stage to be certified is the garment manufacturer or the brand.



Retailers (business-toconsumers) are not required to be certified.















BRAND

BRAND



CONSUMER



If a brand sells their products to retailers, then the brand must be certified in order for a product-specific claim to be made.





= Certified Organization



= Non-Certified Organization

What do I need to do if I want to label?



- Proof of a certified supply chain up to last the B2B transaction
- Comply with our logo use and claims guide
- Receive approval from a certification body

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Content Minimums



- Minimum percentage to use RWS/RMS wool: 5%
- When the percentage of RWS wool of the product or component is less than 10% the certified content shall be listed.
 - Example A: (component) Shoelaces: 5% RWS wool, 95% nylon
 - Example B: (product) Sweater: 5% RWS wool, 80% cotton, 15% polyester
- Blending with non-certified virgin wool are not permitted to be labelled with the RWS name or logo.
 - An RWS product may contain other non-certified wool fibers of a different species, e.g. cashmere, yak, mohair, alpaca, etc. It shall not contain non-RWS wool.
 - Blending with recycled wool is permitted.

Brand Certification Context



- Certification required up to <u>seller</u> in final B2B transaction
 - Manufacturer
 - Brand
 - Wholesaler
- Certification process is the same as other stages in the supply chain
- Exemptions in place for brands with wholesale networks (CCS V2.0 Section D)
 - 100% Claimed Material
 - Batch Code Label
 - Brand Network Certification

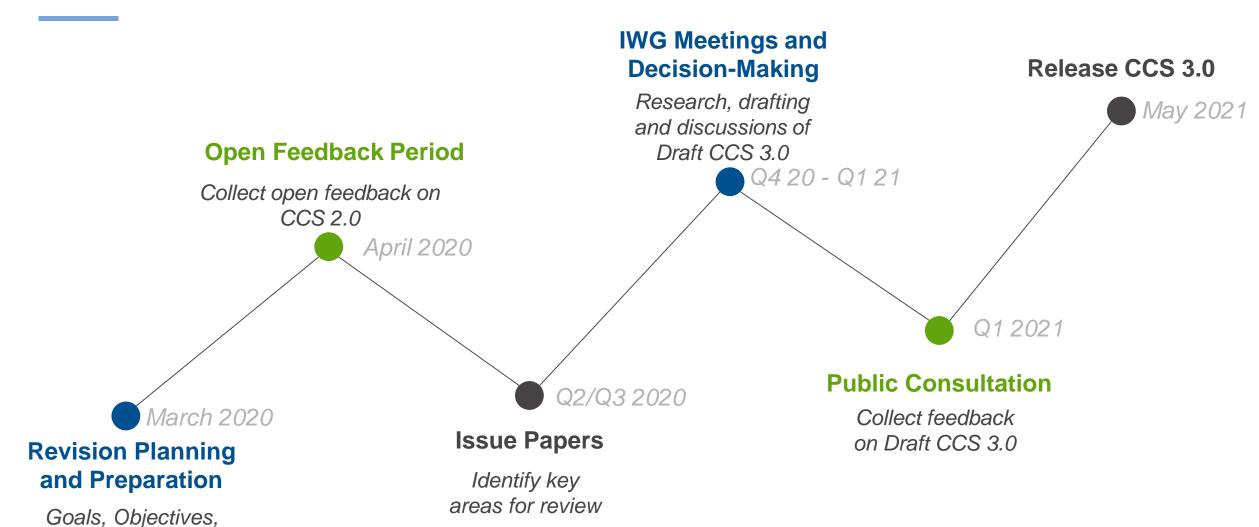


Content Claim Standard 3.0

CCS Revision Timeline

Tool Development





How to participate



Provide feedback

- ✓ During the public open feedback period on CCS 2.0
- ✓ By participating in the International Working Group
- ✓ During the Draft CCS 3.0 public consultation period







Common Questions for/from brands:



1) What did the process look like from first exploring the possibility of sourcing RWS wool?



2) How was sourcing RWS wool different from how you normally source wool?



3) Were there any challenges along the way?



4) What advice would you give to someone interested in sourcing RWS wool/designing an RWS certified product?





1) What did the process look like from first exploring the possibility of sourcing RWS wool?

- Pilot programs with supply chain partners from farm to knitters
- Previous certification helped the learning curve
- **Signal from suppliers** that they are engaged and educated about certification, versus brand only demand. 60-70% of time spent in this engagement/education
- Lots of on-site visits
- Early commitment signals for all parts of supply chain, allowed for detailed planning around forecasting and pricing.
- Two-way communication, constant flow





2) How was sourcing RWS wool different from how you normally source wool?

- Wool is commodity, RWS merino is new to the market and requires a deep level of engagement with supply chain to bring it to scale
- Forward price and volume commitments are key, gives confidence to the supply chain that this is a workable project





3) Were there any challenges along the way?

- The availability in the beginning
- Rising wool prices with the RWS upcharge
- Quality concerns due to a change of origin
- Long term planning if you're not already operating this way
- Potential shift to chain of custody in supply chain versus mass balance systems if you're looking to making on-product claims



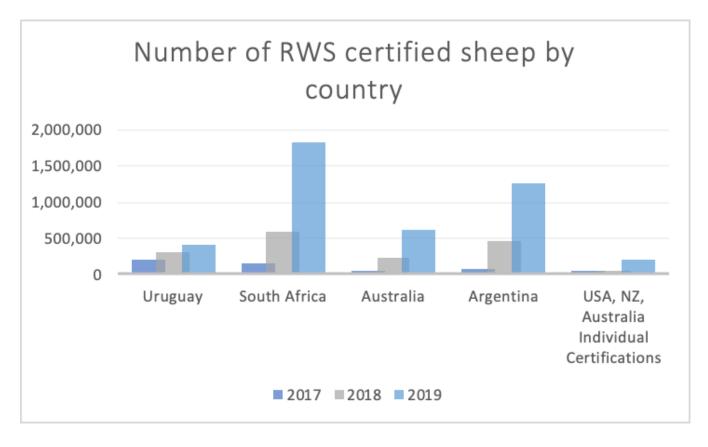


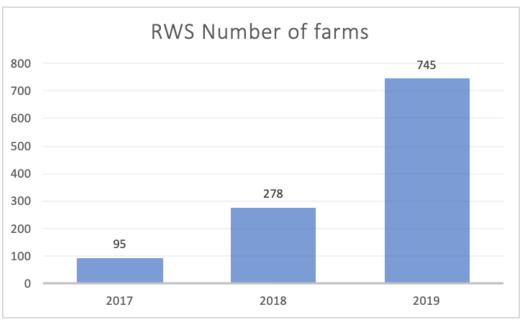
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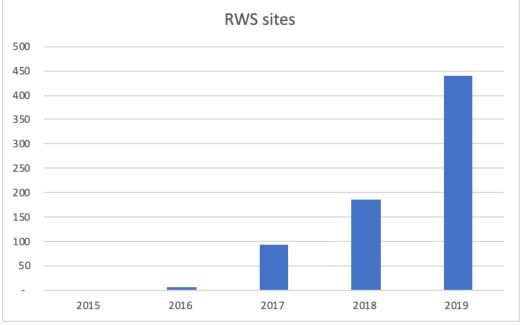
- Build connections around the supply chain collaboration is key
- Send the demand signal
- Work with supply chain partners to manage the price impacts
- Start small, then scale
- Create demand, don't wait for consumers

"Spend more time in answering the why than the what and the how; bring suppliers on the journey so that it becomes their cause and not just yours; be focused in terms of products that you want to convert and give upfront volume commitments; celebrate small successes with suppliers and appreciate their hard work." - Kathmandu

Responsible Wool Standard By the Numbers









Lanas Trinidad



- Current Supply Capacity: 1.1 million kgs of wool tops, ranging 19,5 mic, 22-24 mic, 25-26 mic, 27-28 mic.
- **Timing:** Shearing takes place once a year from July to October, but we run the mill the whole year round, so we have wool tops available all the year.
- Plans for growth: We can grow very easily on the farms group and wool production. Nowadays, the bottleneck is the low/limited demand for Wool Tops. If more demand comes, more farms we will join our group!
- Contact: Pedro Otegui / e-mail: <u>potegui@chargeurs-wool.com</u> / <u>www.lanastrinidad.com</u>



Fox & Lillie

- Current Supply Capacity: 65 +wool producers From Victoria, New South Wales, South Australia, Queensland and Tasmania. 2.75 million kilos per annum. Mostly 19 micron but also growing capacity with 25-32 micron.
- Timing: RWS Greasy/raw wool supply is available all year round. RWS processed wool timings are mostly all year round. Fox & Lillie anticipate client's needs and try and hold stock to reduce turnaround times for clients.
- Plans for growth: Fox & Lillie will continue to expand the Genesys farm group at a speed that meets the ongoing demand for RWS wool.
- Contact: Fox & Lillie
 - +61 3 9696 1544
 - trading@foxandlillie.com.au
 - www.foxandlillie.com.au





Shaniko Wool Company

TextileExchange

- Current Supply Capacity: c. 20,000 lbs of RWS certified clean wool "top" in inventory (21.1 micron). (Note: grease wool would need to be reserved each year by May 30.)
- Timing: Current inventory is immediately available to ship. Our certified inventory will grow to approximately 50,000 lbs of combed wool "top" (21 micron) by mid July, 2020.
- Plans for growth: Shaniko Wool Company projects to double available wool by year 2022 (Spring).
- Contact:
 - Shaniko Wool Company
 - Jeanne Carver
 - <u>jeanne@shanikowoolcompany.com</u>
 - (503) 559-6958



BKB

- Current Supply Capacity: 8 million kg of RWS wool.
- Timing: Most of it will be available between August 2020 and February 2021.
- Plans for growth: We will mostly be focusing on the mohair industry for the coming two years
- Contact:
 - Isak Staats
 - 041 503 3301
 - Isak.staats@bkb.co.za

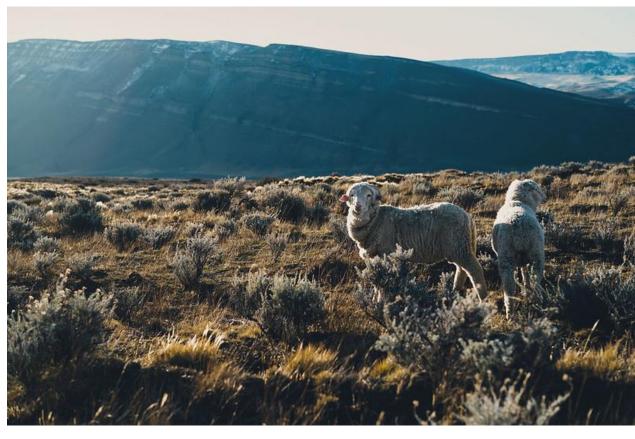




Schneider, Fuhrmann



- Current Supply Capacity:750 greasy tons RWS
- Timing: July 2020 onward
- Plans for growth: We aim for roughly 2000 tons within next 3 years. Argentina is constantly incorporating new farms to the program and in Australia and NZ our Authentico Integrity Scheme is setting a group certification together with brokers to extend RWS to all our grower base (+500 growers)
- Contact:
 - Willy Gallia
 - Willy.gallia@gshcneider.com



Resources



- Find more information at <u>www.responsiblewool.org</u>
- A recorded <u>training on Brand Certification</u> under the CCS 2.0
- Participate in the <u>Content Claim Standard 3.0 Revision</u>
- https://textileexchange.org/wp-content/uploads/2020/03/2019-RWS-RMS-Supply_Chain_Certification.pdf
- Responsible Wool Standard 2.0 & Responsible Mohair Standard 1.0 Launch webinar https://www.youtube.com/watch?v=50jw9zWMi4o
- For any questions please email ResponsibleWool@TextileExchange.Org

Thank you



TextileExchange.org

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