



**Textile
Exchange**

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MATERIALS MATTER
STANDARD



**MATERIALS MATTER
STANDARD EXCERPT**
CRITERIA FOR RECYCLED MATERIALS

Document information

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A. About the document

About Materials Matter

Materials Matter is a standards system owned by the global nonprofit Textile Exchange. It sets out to incentivize a world in which the materials in our clothing and textiles are produced in a way that respects climate, nature, people, and animals.

For over a decade, Textile Exchange's system of material-specific standards has guided the fashion, textile, and apparel industry toward more sustainable production. Materials Matter unifies and simplifies this approach, building on the strengths of what came before while offering a more streamlined pathway forward.

At the heart of this global certification system, the *Materials Matter Standard* (also referred to as the standard) represents a significant evolution of Textile Exchange's standards system. It sets detailed requirements for the production and primary processing of raw materials—from how land, water, and energy are used, to how working conditions, animal welfare, emissions, chemicals, and waste are managed. Its purpose is to provide a common language and shared direction for the industry, while recognizing the unique contexts of different material producers, processors, and the communities and landscapes they depend on.

By focusing on the earliest stages of the supply chain, the standard helps clarify both the risks and opportunities related to raw material production. Combining practice-based and outcome-based criteria, it recognizes the work of participating organizations that meet its requirements and ensures fairness and consistency between them. Certification also provides brands and retailers with an accessible and transparent framework for substantiating claims about their materials.

In the long term, the *Materials Matter Standard* is designed as a practical tool for producers and primary processors, helping them to better understand how their activities affect people and ecosystems, take action to manage and mitigate risks, and identify opportunities to deliver beneficial outcomes. Through partnering with programs that share our vision for climate, nature, people, and animals, we aim to accelerate measurable progress across the industry, while reducing duplication and easing the burden on suppliers.

Beyond certification, optional recommended practices and leadership criteria invite participating organizations to raise the bar further through actions such as outcome measurement, renewable energy use, and textile-to-textile recycling.

About Textile Exchange

Textile Exchange is a global nonprofit with the mission to transform how we produce, choose, and reuse materials to benefit the people and places at the source.

Our vision is a world where materials have lasting value, leading to thriving communities and landscapes. To get there, we are keeping our focus holistic and interconnected, addressing not only greenhouse gas emissions but also the health of our freshwater, soil, and biodiversity, while respecting human livelihoods and animal welfare.

For more than 20 years, our internationally recognized fiber and raw material production standards have built integrity and accountability across the industry. We are committed to continuously improving our standards system and ensuring its alignment with the ISEAL Code of Good Practice for Sustainability Systems. This globally recognized framework defines practices for effective and credible sustainability systems, and the ISEAL Code underpins much of our work—from governance and strategy to engagement, assurance, and claims. This makes sure that our standards system provides value, rigor, accessibility, and transparency.

All of our standards are implemented and verified by independent third parties, which means that certified organizations are regularly assessed to ensure they consistently demonstrate and maintain the relevant requirements. This impartial certification process ensures fairness, consistency, and trust.

A1. Implementation

In 2021, Textile Exchange began a comprehensive revision of its existing standards to develop a more harmonized system. After review and approval of the public project plan by an International Working Group (IWG), the first draft of the *Materials Matter Standard* was made available for public consultation from May to July 2023, with the second draft open for public consultation from October to November 2023. Following invaluable feedback from stakeholders, the pilot version of the *Materials Matter Standard* was released publicly on June 4, 2024. After conducting field testing in 2024 that produced pilot and workshop feedback, the *Materials Matter Standard* criteria were finalized and approved for publication via an IWG vote on June 2, 2025. Transitioning toward the *Materials Matter Standard* will happen in stages. Each arrow represents a 12-month period:



The following implementation timelines apply:

A1.1.1 *TE-MM-STN-101-V1.0 Materials Matter Standard* is published on December 12, 2025.

A1.1.2 *TE-MM-STN-101-V1.0 Materials Matter Standard* is effective on December 31, 2026. From this date onwards, audits may be conducted to the standard, provided that the certification body is licensed to conduct audits to the standard.

A1.1.3 *TE-MM-STN-101-V1.0 Materials Matter Standard* is mandatory on December 31, 2027. From this date onwards, all audits are required to be conducted to the standard. It supersedes the following standards, which are not to be used for audits conducted after this mandatory date:

- GRS-101-V4.0 Global Recycled Standard*;
- RCS-101-V2.0 Recycled Claim Standard*;
- RAF-101a-V2.2 Responsible Wool Standard*;
- RAF-101b-V1.2 Responsible Mohair Standard*; and
- RAF-101c-V1.0 Responsible Alpaca Standard*.

A2. Document references

Textile Exchange provides additional policies, guidance documents, and templates to support the organization's implementation of the *Materials Matter Standard*. All documents relevant to the standards system are available at textileexchange.org/knowledge-center. The latest version (or code) of referenced documents, including any amendments (for example, calibrations), applies.

The following documents are integral to understanding and implementing the *Materials Matter Standard*. This list is for reference only and is a non-exhaustive list:

A2.1.1 *TE-CCS-STN-101 Content Claim Standard* (TE-CCS-STN-101) (CCS)

A2.1.2 *TE-MM-POL-101 Materials Matter Scope and Eligibility Policy* (TE-MM-POL-101)

A2.1.3 *TE-MM-POL-102 Materials Matter Transition Policy* (TE-MM-POL-102)

A2.1.4 *TE-MM-GUI-101 Materials Matter User Manuals* (TE-MM-GUI-101)

A2.1.5 *TE-MM-POL-301 Materials Matter Claims and Labeling Policy* (TE-MM-POL-301)

A2.1.6 *TE-MM-POL-201 Materials Matter Criteria for Certification Bodies* (TE-MM-POL-201)

A2.1.7 *TE-TXL-POL-201 General Criteria for Certification Bodies* (TE-TXL-POL-201)

A2.1.8 *TE-TXL-POL-202 General Criteria for Accreditation Bodies* (TE-TXL-POL-202)

A3. Document definitions

Refer to the [Textile Exchange Glossary](#) for definitions of terms used in this document.

NOTE: [TE-101 Terms and Definitions for Textile Exchange Standards and Related Documents](#) will not be updated going forward and will become obsolete (i.e., retired) alongside the mandatory implementation date of the *Materials Matter Standard* (TE-MM-STN-101). The Textile Exchange Glossary takes precedence in case of any contradiction or omission.

A4. Document interpretation and feedback

Points of clarification may be incorporated into supplementary and guidance documents prior to the next revision of this document where applicable. More substantive feedback or suggested changes will be collected and assessed as part of the next review (and if applicable, revision) of this document.

Any uncertainty regarding the correct interpretation of a criterion should be resolved by the “**Intent and clarification**” section, where possible. You may submit feedback to Textile Exchange’s standards system at any time via [this form](#) or by sending an email to standards@textileexchange.org.

A5. Compliance with applicable laws

Organizations certified to Textile Exchange standards are required to comply with applicable laws and nationally ratified international treaties, conventions, and agreements. Conformity with this standard does not guarantee compliance with applicable laws. The standard criteria are either more or less strict, or equivalent to applicable laws. If a law or nationally ratified international treaty, convention, or agreement is stricter than the requirements of the Textile Exchange certification program or vice versa, the strictest rule always prevails. If there is any conflict between the requirements of this document and other documents or with an applicable law, the certification body needs to contact Textile Exchange to consider the implications for the standards system.

B. How to understand the document

This is a material-specific excerpt of the *Materials Matter Standard V1.0* that is provided for reference only.

B1. Responsibility

The responsibility for demonstrating conformance with the *Materials Matter Standard* lies with the entity that is the registered applicant or certificate holder, herein referred to as “the organization.” This includes demonstrating that other persons or entities permitted or contracted by the organization to operate on the farm or site demonstrate conformance with the applicable *Materials Matter Standard* criteria. The organization is also responsible for taking corrective actions where nonconformities are issued by the certification body.

B2. Structure and application of the standard

The criteria in the *Materials Matter Standard* are organized according to overarching principles and corresponding themes, as presented in the table below. Each theme is specified as being applicable to organizations carrying out raw material production and/or primary processing (i.e., Tier 4).

This document includes only the principles and themes that are relevant to recycled materials. To provide transparency and context, principles and themes that are not applicable to recycled materials are still listed in the table below for overview purposes (in grey and strikethrough). For more details, see the notes below the table:

Principle	Theme	Tier 4 applicability	
1. Organizational management	1.1 General requirements	Raw material production	Primary processing
	1.2. Roles and responsibilities	Raw material production	Primary processing
2. Human rights and livelihoods	2.1. Human rights due diligence	Raw material production	Primary processing
	2.2. Responsible working practices	Raw material production	Primary processing
	2.3. Health and safety	Raw material production	Primary processing
	2.4. Fair pay, benefits, and working hours	Raw material production	Primary processing
	2.5. Child labor and forced labor	Raw material production	Primary processing
	2.6. Livelihoods	Raw material production	Primary processing
3. Land use	3.1. Management plan*	Raw material production	
	3.2. Soil health*	Raw material production	
	3.3. Soil nutrients*	Raw material production	
	3.4. Pest management*	Raw material production	
	3.5. Water management*	Raw material production	
	3.6. Biodiversity management*	Raw material production	
4. Animal welfare	4.1. Health and welfare plan*	Raw material production	
	4.2. Animal nutrition*	Raw material production	
	4.3. Living environment*	Raw material production	
	4.4. Husbandry procedures*	Raw material production	

Principle	Theme	Tier 4 applicability	
4. Processing facility	4.5. Animal shearing*	Raw material production	
	4.6. Herd management*	Raw material production	
	4.7. Breeding, birthing, and caring for young animals*	Raw material production	
	4.8. Handling and transport*	Raw material production	
	4.9. Handling and transport managed by the organization*	Raw material production	
	4.10. Euthanasia and on-farm slaughter*	Raw material production	
	4.11. Slaughterhouse*		Primary processing
5. Chain of custody	5.1. Environmental management system		Primary processing
	5.2. Chemical management and restrictions		Primary processing
	5.3. Waste management		Primary processing
	5.4. Water use and discharge		Primary processing
	5.5. Air emissions		Primary processing
	5.6. Energy use		Primary processing
6. Group certification	6.1. Material handling	Raw material production	Primary processing*
	6.2. Volume reconciliation	Raw material production	Primary processing*
	6.3. Sale of certified materials	Raw material production	Primary processing*
	6.4. Logo use and claims	Raw material production	Primary processing*
7. Group certification	7.1. Group configuration*	Raw material production	
	7.2. Group management system*	Raw material production	
	7.3. Group member requirements*	Raw material production	
	7.4. Inspection of group members*	Raw material production	
	7.5. Adding and removing group members*	Raw material production	

NOTES (*):

Themes 3.1–3.6, 4.1–4.11, and 7.1–7.5 are not applicable for recycled materials.

Primary processing for Principle 6 is applicable only to **recycling** and **slaughterhouses**.

B3. Document format

Each criterion contains all the following elements, except for “Intent and clarification,” which is only necessary for some criteria. Descriptions of each element are provided below:

1 Principle:

An overarching focus area of the standard.

2 Theme:

A component of a principle.

3 Criterion type:

A level used to determine the urgency of implementation.

4 Criterion:

An expectation to be met to demonstrate conformance.

5 Intent and clarification:

Information that supports a full understanding of a criterion.

6 Applicability:

A criterion that an organization needs to conform to, based on its size and the material(s) it produces.

1

Principle 1: Organizational management

A well-defined management system is foundational for implementing the *Materials Matter Standard* effectively and consistently across all materials and is applicable to all certification requirements. The intent of this principle is to ensure that the organization establishes a structured, transparent, and accountable management system.

2

1.1. General requirements

3 1.1.1

Major

4

A management representative has been designated with overall responsibility for the organization's conformance with applicable certification requirements. This person is responsible for the organization in matters related to its certification.

5

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to ensure that the organization has clearly assigned accountabilities for all certification requirements (i.e., the standard criteria and certification policies).
- 2) A person with recognized authority and a good understanding of the standard has been appointed to manage the organization's certification process.
- 3) For group certification, this person is the appointed group manager (see criterion 7.2).
- 4) The management representative is capable of effectively communicating with the organization's operations, locating required documentation, and identifying staff qualified to demonstrate conformance.

6

APPLICABILITY:

Size: all
Material: all

1. **Principle:** A fundamental practice of the *Materials Matter Standard*. Principles articulate the overarching focus areas of the standard.
2. **Theme:** A component of a principle, designed to organize and group thematically related criteria.
3. **Criterion type:** Each criterion is one of five types, classified as either mandatory (required for certification) or non-mandatory (encouraged, but not required for certification). Nonconformities to mandatory criteria require corrective actions to be taken to achieve or maintain certification. The criterion type helps determine the urgency of implementing any needed corrective action. See section B4. Criterion type icons below.
4. **Criterion:** Specific, objective, and verifiable expectation that an organization is required to meet to demonstrate conformance. Criteria translate the high-level intent of a principle and theme into actionable and verifiable components.
5. **Intent and clarification:** This component provides information to support a full understanding of the criterion's intent.
6. **Applicability:** This component specifies two aspects of the organization seeking certification that determine the criterion's relevance:
 - i. **Size:** Refers to the organization's characteristics in terms of scale—whether it is a small, medium, or large farm, or a small or large processing facility—or whether the criterion applies at the group management level. If a criterion is marked as “group”, it is to be met primarily by the group management, with support from farm group members. If a criterion applies to all sizes (and not specifically to group management), the term “all” is used.
 - ii. **Material:** Refers to the material(s) to which the criterion applies, which may include wool, mohair, alpaca, recycled, and hide/raw hide. If the criterion applies to all materials, the word “all” is used.

B4. Criterion type icons



Critical

Critical: Mandatory criterion with the potential to represent a significant risk to human health, safety, the environment, or the integrity of the standard. It often involves illegal activities, fraud, or systemic failures.



Major

Major: Mandatory criterion which could compromise the effectiveness of the system or lead to significant negative impacts if not addressed.



Contextual

Contextual: Mandatory criterion which is not specified as critical, major, or minor. A contextual criterion may be designated as major or minor by the certification body, depending on the organization's performance and the contextual circumstances. A minor nonconformity is a limited or isolated deviation that does not pose an immediate risk.



Recommended practice

Recommended practice: Non-mandatory criterion that complements mandatory criteria and produces beneficial outcomes when followed. Certified organizations are evaluated against these criteria as part of their audit, even if they choose not to fully adopt the recommended practices.



Leadership

Leadership: Non-mandatory criterion that is aspirational or goes above and beyond the other criteria types. Certified organizations have the option to be audited against these criteria by making a request to their certification body.

Refer to *TE-TXL-POL-201 General Criteria for Certification Bodies* for a complete overview of how nonconformities are issued.

B5. How to navigate the standard

Criterion

Each criterion has a unique number consisting of three digits separated by periods: the first digit represents the principle to which the criterion belongs, the second digit represents the theme, and the third digit is a consecutive number assigned to the set of criteria within each theme. Only Principle 2 includes subcriteria, for which a fourth digit is added as a consecutive number assigned to the set of subcriteria within each criterion. Where templates are referenced in the criterion, they are mandatory.

Intent and clarification

The intent and clarification include mandatory explanatory information and, where relevant, illustrative examples that help interpret the criterion in specific contextual circumstances. These examples are not exhaustive, but serve to clarify how the criterion may be applied in practice.

Where applicable, references to key documents or optional templates are also included. The use of "may" in a sentence indicates that the described action or option is allowed but not mandatory, offering flexibility based on context, organizational needs, or discretion.

Principle 2

Principle 2 differs structurally from other principles in the standard. Criteria (three-digit numbers) in Principle 2 are further broken down into subcriteria (four-digit numbers) that are tailored to the nature and size of certified organizations. This reflects differing contexts, capacities, and expectations.

In theme 2.1, there are slight differences in the applicability of subcriteria compared to other themes within this principle. Subcriteria designated for small, medium, or large farms apply exclusively to individually certified farms (i.e., not to farm group members). Additionally, there are subcriteria applicable to small and large processing facilities. Subcriteria marked as applicable to groups (including the subset of small-scale

farmer groups) apply to the group manager, who is responsible for ensuring conformance by the group member farms.

For the remaining themes within Principle 2, the responsibility for implementing subcriteria lies with individual organizations (farms) or farm group members—each classified as small, medium, or large—or with processing facilities, which are classified as small or large, as applicable. Small-scale farmer groups are required to meet the subcriteria applicable to small farms.

B6. Applicability of criteria

The *Materials Matter Standard* contains criteria that apply to all types of organizations (i.e., farms and recycling facilities). It also contains criteria that apply to specific contexts and/or certification scopes.

Certification audits are required to be conducted against criteria that are deemed applicable for the organization. The applicability of specific criteria is determined based on the desired scope certificate and optional activities of the certified organization.

Suppliers of reclaimed materials (material collectors and concentrators)

Material collectors and/or concentrators may opt for voluntary certification under the standard; they are required to implement the applicable standard criteria as specified in the *TE-MM-POL-101 Materials Matter Scope and Eligibility Policy*.

Chain of custody

Principle 6 of the *Materials Matter Standard* contains fundamental chain of custody criteria. Organizations performing the primary processing of recycled materials are required to implement the full *Content Claim Standard* or any future version of Textile Exchange's Chain of Custody Standard, along with Principle 6 of the *Materials Matter Standard*.

Principle 1: Organizational management

A well-defined management system is foundational for implementing the *Materials Matter Standard* effectively and consistently across all materials and is applicable to all certified organizations. The intent of this principle is to ensure that the organization establishes a structured, transparent, and accountable approach to managing its operations. General requirements of the management system (theme 1.1) include defining the scope of certification and maintaining up-to-date planning tools and records. Additionally, the organization ensures that clear responsibilities are assigned and that all workers are trained according to their roles (theme 1.2). By adopting these practices, the organization is better equipped to manage its operations, respond to challenges, and continuously improve performance—while helping advance the standard’s strategic goals: to drive positive outcomes for people, climate, and nature.

1.1. General requirements

1.1.1

 Major

A management representative has been designated with overall responsibility and authority to ensure the organization’s conformance with applicable certification requirements and to represent the organization in matters related to its certification.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to ensure that the organization has clearly assigned accountability for its conformity to applicable certification requirements (i.e., the standard criteria and certification policies).
- 2) A person with recognized authority and a good understanding of the standard has been officially designated by the organization.
- 3) For group certification, this person is the appointed group manager (see criterion 7.2.2).
- 4) The management representative is capable of effectively communicating with the certification body regarding the organization’s operations, locating required documentation, and identifying staff qualified to provide support during the audit.

APPLICABILITY:

Size: all

Material: all

1.1.2

 Contextual

The organization’s written description of its site(s) for production, collection, and/or processing—disclosed to its certification body and to Textile Exchange—is current and reflects the actual conditions, and includes:

- a. The organization’s name;
- b. The organization’s street address;
- c. The organization’s tax identification number in the country where the business is registered; and
- d. The type of activities performed at each site included in the scope certificate.

INTENT AND CLARIFICATION:

- 1) The organization provides its certification body and Textile Exchange with a complete written description of its operations, as included in the scope certificate, and updates it as necessary to ensure it remains current and reflects the actual conditions.
- 2) For a farm group (including small-scale farmer groups), the group manager is responsible for collecting data from all group members.
- 3) The term “scope certificate” refers either to the current certificate of an already certified organization undergoing its annual audit, or to the intended certificate of an applicant organization undergoing its initial certification audit.

APPLICABILITY:

Size: all

Material: all

1.1.3 Critical

For auditing purposes, the organization allows access to all of the following:

- Locations (including farmland and buildings), processes, and practices, as included in the scope certificate;
- Animals included in the scope certificate;
- Documents and records necessary to assess conformance with the standard criteria, which include permits, contracts, and pay slips; and
- Workers present on site (for example, family workers, directly hired workers, contracted workers) involved in activities related to the scope certificate are available for interviews without limitations and, if deemed necessary by the audit team or to protect the workers' privacy, in the absence of management.

INTENT AND CLARIFICATION:

- The intent of this criterion is for the organization to present a clear picture of the full in-scope operation to its certification body. This ensures that the audit sample aligns with the given risk ratings or other criteria as defined by Textile Exchange.
- Even when the certification body is sampling (i.e., selecting a representative portion of all sites, documents, and interviewees to assess conformance), the organization permits the certification body access to all locations, animals, documents, records, and workers as requested by the auditor to cross-check any necessary information.

APPLICABILITY:

Size: all

Material: all

1.1.4 Critical

The organization obtains and maintains a valid Textile Exchange-ID (TE-ID) registration for all facilities included in the scope certificate, including farms but excluding independently certified subcontractors.

INTENT AND CLARIFICATION:

- Instructions for how to register for a TE-ID are available at: <https://textileexchange.org/te-id/>

APPLICABILITY:

Size: all

Material: all

1.1.5 Major

The organization has an up-to-date management system in place, which includes the following:

- Management objectives;
- A description of the resources to be managed; and
- Specific standard operating procedures (SOPs) for managing the operation, taking into account what is included in the scope certificate and as required by the applicable standard criteria.

INTENT AND CLARIFICATION:

- The management system reflects the current operating circumstances of the organization, including its organizational structure.
- The management system is reviewed at least annually and updated as necessary, including the incorporation of improvements based on experience gained or audit findings.
- The management system is aligned with the scale and intensity of the operation; that is, the larger and/or more complex the operation, the more detailed the management system.
- Important components of the management system include technical documents (i.e., specific plans required under different criteria, based on the intended scope), which serve to guide activities within the certified operations.
- For a small-scale farmer group, members may collaboratively develop the management system, to be maintained at the group level.

APPLICABILITY:

Size: all

Material: all

1.1.7 The organization maintains records to demonstrate conformance with applicable certification criteria, which are made known and accessible to the responsible workers.

 Contextual

INTENT AND CLARIFICATION:

- 1) Records are updated as necessary to maintain conformance with certification requirements (i.e., the standard criteria and certification policies).
- 2) The methodology for maintaining records is well established and understood by responsible workers, including how and where records are maintained, and who is responsible for those.

APPLICABILITY:

Size: all

Material: all

1.1.8 All records required by the standard are maintained by the organization for at least five (5) years.

 Contextual

INTENT AND CLARIFICATION:

- 1) An applicant organization seeking certification demonstrates conformance by maintaining applicable records from the date of application or certification.

APPLICABILITY:

Size: all

Material: all

1.1.10 On an annual basis, the organization completes either the *TE-MM-TEM-109 Materials Matter Farm Survey* or the *TE-MM-TEM-110 Materials Matter Processing Facility Survey*, each of which requests self-reported data and information, including geospatial data intended for monitoring, evaluation, and learning.

 Contextual

INTENT AND CLARIFICATION:

- 1) The certification body is responsible for providing the organization with the applicable survey (farm or processing facility, depending on the type of site being evaluated) along with instructions for completing it.
- 2) Further guidance is available in the *TE-MM-GUI-115 Materials Matter Farm Survey Guide*.

APPLICABILITY:

Size: all

Material: all

1.1.11 The organization's management system (see criterion 1.1.5) includes a written description of the following additional details:

 Recommended practice

- a. Environmental conditions and limitations, local socioeconomic conditions, and a profile of adjacent lands; and
- b. Strategies for waste management, including reduction, reuse, recycling, and composting of organic waste.

INTENT AND CLARIFICATION:

- 1) The organization is encouraged to align its management system with these additional details.
- 2) For a small-scale farmer group, members may collaboratively develop the management system, to be maintained at the group level.

APPLICABILITY:

Size: all

Material: all

1.2. Roles and responsibilities

1.2.1 For each SOP, plan, and policy related to the organization's conformity with the standard, a qualified employee has been assigned responsibility for its implementation.

Contextual

INTENT AND CLARIFICATION:

- 1) Each SOP, plan, or policy has a designated responsible person with the necessary resources to implement it, including those required for outsourced services.
- 2) Depending on the size of the organization, assigning multiple functions to one person is acceptable, provided that responsibilities for implementation are clearly defined.

APPLICABILITY:

Size: all

Material: all

1.2.2 All SOPs, plans, and policies are reviewed at least annually by the person responsible and updated as necessary.

Contextual

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to ensure that the organization's SOPs remain up to date for all current activities.
- 2) For a small-scale farmer group, where SOPs, plans, and policies are maintained at the group level, the person responsible is the group manager.

APPLICABILITY:

Size: all

Material: all

1.2.3 Workers have access to the standard and are informed about the organization's SOPs, plans, and policies that pertain to their assigned responsibilities.

Contextual

INTENT AND CLARIFICATION:

- 1) By granting access to the standard and promoting awareness of applicable SOPs, plans, and policies, the organization fosters transparency, accountability, and engagement. This empowers workers to understand their roles in maintaining conformance and helps cultivate a culture of shared responsibility.
- 2) If following the organization's SOPs fulfills workers' duties under the standard (for example, because all material is handled in a way that meets the standard), then general awareness of the standard and training aligned with their responsibilities are acceptable.

APPLICABILITY:

Size: all

Material: all

1.2.4 SOPs are available in written or pictorial form, in a language that workers understand.

Contextual

INTENT AND CLARIFICATION:

- 1) SOPs are made available to workers in formats tailored to their local context and capacities (for example, handbooks, pictograms, or posters). Where applicable, these procedures include guidance on waste handling and segregation, water and energy use, as well as euthanasia, shearing, castration, tail docking, transportation, live animal handling, stunning, and slaughtering processes for the species concerned, among others. The organization develops its operating procedures based on its type and specific needs to ensure that workers receive training aligned with their roles and responsibilities.
- 2) For a small-scale farmer group, members may collaboratively develop SOPs. These procedures are maintained at the group level and shared with group members as described in point one above.

APPLICABILITY:

Size: all

Material: all

1.2.5 Workers receive training and supervision to ensure consistent implementation of the management system, including the organization's SOPs, plans, and policies.

 Contextual

INTENT AND CLARIFICATION:

- 1) Training for all workers is conducted at least annually, serving as a reminder of key SOPs, plans, and policies.
- 2) Additional or specific training is conducted as necessary to ensure that workers are knowledgeable and competent to perform their duties.
- 3) Specific cases in which training is necessary include newly hired workers, the introduction of new procedures, and the identification of issues or nonconformities, among others.

APPLICABILITY:

Size: all

Material: all

1.2.6 The organization maintains detailed records of completed training events.

 Contextual

INTENT AND CLARIFICATION:

- 1) Training records include the training dates; names and qualifications of the trainers; title and description of the training event; names of attendees; materials used during training; photographs; and other associated documentation.

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

1.2.7 The organization identifies and implements innovative technologies and tools that enhance transparency and facilitate conformance with applicable standard criteria.

 Leadership

INTENT AND CLARIFICATION:

- 1) Examples of innovative technologies and tools include:
 - Community-Based Monitoring (CBM), to demonstrate the accuracy and responsiveness of standard implementation measures;
 - Closed-Circuit Television (CCTV), to monitor key management procedures (for example, shearing or stunning in slaughter plants);
 - Global Positioning System (GPS) tags and drone footage, to track and record grazing patterns and pasture use; and
 - Internet of Things (IoT) devices, to monitor livestock movements and provide insights into animal health.
- 2) Where CCTV is used, recordings are retained that cover at least the most recent activity period for seasonal operations, or one year for continuous operations.
- 3) Technology-enabled worker voice systems serve to flag concerns related to the implementation of the standard and are designed to be accessible to the broader stakeholder community (for example, contractors and local communities).
- 4) If digital technologies are used in or around workstations, workers are informed of their presence and purpose. Data collected through these technologies is handled in accordance with privacy and confidentiality laws and is not used to retaliate against workers.

APPLICABILITY:

Size: all

Material: all

Principle 2: Human rights and livelihoods

Respecting human rights and livelihoods is fundamental to ensuring ethical, sustainable, and resilient supply chains. Principle 2 provides a framework for organizations to ensure human and labor rights are protected on farms and in processing facilities. Adopting this framework promotes health and safety, shows respect for vulnerable groups, and enhances fair working conditions for all.

- **Theme 2.1:** Human rights due diligence guides the organization toward developing a management system (or refining existing procedures) that systematically assesses human rights risks and implements effective mitigation, prevention, and remedial measures accordingly.

The following themes build on this due diligence approach, guided by the principles of equality, dignity, and respect:

- **Theme 2.2** outlines how workers, especially those in vulnerable groups, are meant to be treated at work.
- **Theme 2.3** sets baseline expectations for safeguarding worker safety through a culture of risk management, awareness-raising, and prevention.
- **Theme 2.4** focuses on fair pay, benefits, and working time to ensure fair compensation and prevent excessive working hours and overtime.
- **Theme 2.5** enforces safeguards for vulnerable people or groups to prevent child labor and forced labor.
- **Theme 2.6** outlines recommended practices designed to drive organizational progress toward living wages and fair pricing mechanisms for material suppliers.

In many geographies, human rights and livelihoods are protected by local and international laws. The criteria under **Principle 2** are therefore based on the following internationally recognized frameworks:

- The *International Bill of Human Rights* refers to the following instruments:
 - *Universal Declaration of Human Rights*;¹
 - *International Covenant on Economic, Social and Cultural Rights*;² and
 - *International Covenant on Civil and Political Rights*.³
- Business and human rights frameworks, including:
 - *The United Nations Guiding Principles on Business and Human Rights (UNGPs)*;⁴ and
 - *The Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct*.⁵
- International Labour Organization (ILO) Core Conventions included in the *Declaration on Fundamental Principles and Rights at Work (2022)*:⁶
 - *C29 – Forced Labour Convention (1930)*;⁷
 - *C105 – Abolition of Forced Labour Convention (1957)*;⁸
 - *C138 – Minimum Age Convention (1973)*;⁹
 - *C182 – Worst Forms of Child Labour Convention (1999)*;¹⁰
 - *C111 – Discrimination (Employment and Occupation) Convention (1958)*;¹¹
 - *C87 – Freedom of Association and Protection of the Right to Organise Convention (1948)*;¹²
 - *C98 – Right to Organise and Collective Bargaining Convention (1949)*;¹³
 - *C100 – Equal Remuneration Convention (1951)*;¹⁴
 - *C155 – Occupational Safety and Health Convention (1981)*;¹⁵ and
 - *C187 – Promotional Framework for Occupational Safety and Health Convention (2006)*.¹⁶

Please refer to section **B5. Principle 2** in the introduction of this document to better interpret criteria applicability, which is slightly different to the other principles of the *Materials Matter Standard*.

2.1. Human rights due diligence

2.1.1 The organization is committed to respecting all human rights.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is for the organization to demonstrate that it:
 - Recognizes the human rights that its activities could negatively impact, whether actual or potential; and
 - Commits to respecting those rights.
- 2) The scope of human rights is broader than labor rights alone. However, not all human rights apply equally in every context (for example, even if there are no legally recognized Indigenous Peoples in the vicinity of the farm or facility, the organization has a responsibility to engage with local communities).
- 3) For reference, the *International Bill of Human Rights* includes (but is not limited to) the following considerations, which the organization prioritizes based on its own context: freedom and equality; freedom from slavery; right to remedy; right to social security; right to work; right to rest and leisure; right to an adequate standard of living; right to education; right to cultural, artistic, and scientific life; minority rights; right to a safe and healthy environment.
- 4) Further guidance on this theme is available in the *TE-MM-GUI-126 Human Rights Due Diligence Introduction*.
- 5) The optional *TE-MM-TEM-111 Human Rights Commitment Template* is available for use.

2.1.1.1 The organization commits to respecting the human rights of its family workers, directly hired workers, contracted workers, and neighboring communities.



Contextual

INTENT AND CLARIFICATION:

- 1) The organization is not necessarily required to produce a written commitment; however, it is at least able to explain which human rights are most applicable in its context and who is affected (for example, family workers, directly hired workers, contracted workers, and neighboring communities).
- 2) One approach to identifying potentially impacted human rights is to engage with internal and external stakeholders, such as workers, neighboring communities, and local farming associations or civil society organizations.
- 3) This criterion is not applicable to members of a farm group.

APPLICABILITY:

Size: small farm, medium farm

Material: wool, mohair, alpaca, hide/raw hide

2.1.1.3 A. The organization implements a written human rights policy in which it commits to respecting all human rights of directly hired workers, contracted workers, and neighboring communities.

Contextual

- B. The human rights policy is signed by the organization's top manager.
- C. The organization makes its human rights policy available at least to directly hired workers, contracted workers, and neighboring communities in their preferred language.

INTENT AND CLARIFICATION:

- 1) This criterion is not applicable to members of a farm group.
- 2) The top manager is the person with the highest level of authority in the organization's operational structure. This is usually the Chief Executive Officer, Executive Director, General Manager, or an equivalent role with formal decision-making power over organization-wide policies.

APPLICABILITY:

Size: large farm, small processing facility, large processing facility

Material: all

2.1.2 The organization establishes and implements a code of conduct.

INTENT AND CLARIFICATION:

- 1) The intent of a code of conduct is to clearly outline how the organization plans to implement its commitment to respecting all applicable human rights (see criterion 2.1.1).
- 2) The code of conduct outlines the rules, roles, responsibilities, and practices that the organization expects its management and workforce to uphold.
- 3) A robust code of conduct includes:
 - Guidelines for respecting the organization's commitment; and
 - Processes to ensure its implementation (for example, awareness-raising, training).
- 4) The optional *TE-MM-TEM-112 Human Rights Code of Conduct Template* is available for use.

2.1.2.3 A. The organization establishes and implements a written code of conduct that outlines its guidelines and systems for addressing each of the following topics:

Contextual

- a. Stakeholder engagement;
- b. Grievance mechanism;
- c. Pay and benefits;
- d. Working hours;
- e. No child labor;
- f. No forced labor;
- g. Freedom of association and collective bargaining;
- h. No discrimination;
- i. No harassment and abuse;
- j. Health and safety;
- k. Workers' housing; and
- l. Rights of Indigenous Peoples and Local Communities.

B. The organization regularly engages directly hired and contracted workers to explain the contents of its code of conduct.

INTENT AND CLARIFICATION:

- 1) This criterion is not applicable to members of a farm group.

APPLICABILITY:

Size: large farm, small processing facility, large processing facility

Material: all

2.1.3 The organization identifies, assesses, and prioritizes its human rights risks—based on severity and likelihood—using the *TE-MM-TEM-113 Human Rights Risk Assessment Template*.

Additionally, the human rights risk assessment:

- a. Guides effective prevention and mitigation measures;
- b. Is monitored on an ongoing basis; and
- c. Is periodically updated, as per the applicable subcriteria.

INTENT AND CLARIFICATION:

- 1) The human rights risk assessment is a foundational element of human rights due diligence. The intent of this assessment is for the organization to identify, prevent, and mitigate any adverse human rights impacts that its activities have the potential to cause or be associated with, based on their severity and likelihood. Drawing from the *United Nations Guiding Principles on Business and Human Rights (UNGPs)*⁷⁷ and the *Organisation for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct*:⁷⁸
 - Severity refers to the gravity of the impact, its potential extent, and the difficulty of remedying the resulting harm.
 - Likelihood is the probability of an impact occurring. It considers the nature of the organization's activities, the local context, and business relationships, and takes into account any mitigation measures already in place. As such, it is an essential step

toward addressing harm that has the potential to occur—or is already occurring—from the organization's day-to-day operations.

- 2) In order to manage identified risks, the organization implements actions to prevent them from occurring or applies controls and safeguards to mitigate their impact. Likewise, the organization ensures that risks are managed over time through ongoing monitoring and periodic updates to the risk assessment.
- 3) The organization defines measures for the prevention and mitigation of each human rights risk identified in the assessment. These measures support conformance with the criteria outlined in themes 2.2 to 2.5 of this principle.

2.1.3.3


Major

- A. The organization conducts an assessment of actual and potential human rights risks across its operations included in the scope certificate and contracted labor providers, subcontractors involved in production processes, and transport providers. This assessment is conducted using the *TE-MM-TEM-113 Human Rights Risk Assessment Template*.
- B. The organization takes preventive and mitigation measures to manage identified risks.
- C. The organization updates its human rights risk assessment as new risks arise, when findings require revision, and at least every other year.

INTENT AND CLARIFICATION:

- 1) The organization's human rights risk assessment covers both actual impacts (which the organization is currently facing) and potential impacts (that the organization is at risk of experiencing in the absence of mitigation measures). Human rights risk findings generally occur in all production contexts, though the severity of these impacts differs depending on specific circumstances.
- 2) The assessment accounts for risks in the organization's operations included in the scope certificate, as well as in its supply chains. Given the complexity of supply chain networks, organizations consider at least their contracted labor providers, subcontractors for production processes, and transport providers.
- 3) This criterion is not applicable to members of a farm group.

APPLICABILITY:

Size: large farm, small processing facility, large processing facility

Material: all

2.1.4

The organization identifies and engages key stakeholders affected by its priority human rights risks (see criterion 2.1.3) to understand their views and adjust its systems accordingly.

INTENT AND CLARIFICATION:

- 1) Priority risks are those rated most highly for likelihood and severity through the human rights risk assessment process (see criterion 2.1.3).
- 2) The intent of stakeholder engagement is for the organization to confirm and complement the findings of the human rights risk assessment (see criterion 2.1.3) through consultation with affected groups and specific persons. An organization that regularly engages with stakeholders is better equipped to understand its human rights risks and to develop or revise actions for prevention, mitigation, and remediation. This approach supports broader relationship-building, enhances the organization's capacity to address human rights issues, and improves the contextual relevance of the measures it implements.
- 3) The organization makes all reasonable efforts to secure representative participation of stakeholders (or credible proxies), considering gender, age, political and/or union affiliation, and status as human rights, land, or forest defenders, among other factors.

2.1.4.3


Contextual

- A. The organization engages stakeholders affected by its priority human rights risks throughout the year (i.e., as risks arise or evolve), including, at least:
 - a. Workers;
 - b. Worker representatives;
 - c. Local communities, including workers' families and their chosen representatives, where applicable;
 - d. Indigenous Peoples, if locally present; and
 - e. Suppliers and their sub-suppliers.
- B. The organization maintains written evidence of fair outcomes resulting from this stakeholder engagement process.

INTENT AND CLARIFICATION:

- 1) In addition to their stakeholder engagement efforts, processing facilities that specifically source reclaimed materials engage meaningfully with recycling supply chain actors—such as waste management organizations, collectors and concentrators, and waste-pickers—to refine their human rights risk assessment and inform actions aligned with the standard criteria.
- 2) Processing facilities that source reclaimed materials outline a progress plan to directly engage actors in the recycling supply chain—including their respective workers—in ways that accommodate their engagement preferences (for example, appointed representatives or credible proxies), language, literacy levels, and potential distrust.
- 3) This criterion is not applicable to members of a farm group.

APPLICABILITY:

Size: large farm, small processing facility, large processing facility

Material: all

2.1.5 The organization seeks the Free, Prior, and Informed Consent (FPIC) of Indigenous Peoples if it plans to acquire or develop land and is legally required to do so.

INTENT AND CLARIFICATION:

- 1) The intent of FPIC is to protect the rights (self-determination in particular) of Indigenous Peoples as well as historically underserved traditional local communities, in the specific context of land acquisition and development projects with possible adverse impacts on their rights and way of life (for example, access to natural resources, territories, cultural landmarks). FPIC is specific to Indigenous Peoples and historically underserved traditional communities who have collective customary tenure systems.
- 2) FPIC involves a mutually agreed-upon process for discussion and decision-making (for example, rules of engagement, project design, and implementation), along with a corresponding action plan and supporting documentation. This final step is essential for demonstrating that the organization sought consent for land acquisition or development projects.
- 3) FPIC is distinct from stakeholder engagement (as specified in criterion 2.1.4). Both processes support the organization in implementing measures for prevention, mitigation, and remediation.

2.1.5.3  **Major**

- A. If the organization plans to acquire or develop land, it determines whether FPIC is legally required in the specific location.
- B. Where legally applicable, the organization seeks FPIC.
- C. If FPIC processes are infringed, the organization provides a remedy that addresses the harm caused.
- D. The organization prohibits retaliation against forest, land, and human rights defenders under any circumstances.

INTENT AND CLARIFICATION:

- 1) Given the specificity and resource-intensive nature of FPIC, the organization determines whether proposed land acquisition or development projects are subject to legally applicable FPIC requirements. Noting the variability in locally applicable and community-approved FPIC protocols, it is recommended that organizations seek local expert guidance (for example, service providers, civil society organizations—ideally recognized by the affected community).
- 2) The organization implements remedies as required by applicable law. The fundamental remedy for conducting activities affecting Indigenous Peoples and historically underserved traditional communities is conducting a robust FPIC process. In cases where FPIC was secured but its conditions were not fully respected, the organization implements the mutually agreed-upon remediation measures included in the FPIC agreement. Conventional remediation measures (as described in criterion 2.1.7) are not an acceptable substitute for conducting FPIC processes where legally required.
- 3) This criterion is not applicable to members of a farm group.

APPLICABILITY:

Size: large farm, small processing facility, large processing facility

Material: all

2.1.6 The organization has a grievance mechanism that is accessible to all stakeholders.

INTENT AND CLARIFICATION:

- 1) A grievance mechanism is intended to support stakeholders, including workers, to raise human rights concerns related to the organization's activities, and to seek remedy for any actual impacts.
- 2) The effectiveness of an organization's grievance mechanism depends on clear communication to stakeholders (for example, directly hired workers, contracted workers, contractors, suppliers, neighboring communities) regarding the scope of concerns (i.e., applicable human rights) that are eligible for reporting through the mechanism, instructions on how to use it, and clarity on the process and outcomes.
- 3) Recognizing that fully aligning these systems with international frameworks (for example, the UNGPs) requires effort, time, and dedicated resources, this criterion focuses on organizations making all reasonable efforts to enable stakeholders to use this tool effectively and without fear of retaliation.
- 4) Organizations may choose to develop and maintain different grievance mechanisms to cater to the specific needs of different intended users (for example, one channel designed to process workers' complaints and another, separate channel tailored to the needs of business relations or neighboring communities).
- 5) Further guidance is available in the optional *TE-MM-GUI-127 Developing and Implementing a Grievance Mechanism and Remediation Plan Guide*.

2.1.6.3
Major

- A. The organization develops and maintains a grievance mechanism to receive complaints from key stakeholders (including directly hired workers, contractors, suppliers, and neighboring communities, as applicable).
- B. The organization enables complaints to be submitted anonymously and ensures that all complaints are managed consistently, regardless of whether they are anonymous or not.
- C. The organization arranges awareness-raising sessions to enable key stakeholders to use the grievance mechanism effectively and without fear of retaliation.
- D. The organization guarantees confidentiality and prohibits retaliation against persons who submit complaints through its grievance mechanism.

INTENT AND CLARIFICATION:

- 1) This criterion is not applicable to members of a farm group.

APPLICABILITY:

Size: large farm, small processing facility, large processing facility

Material: all

2.1.7 The organization investigates all complaints submitted through its grievance mechanism in order to address concerns, as necessary.

INTENT AND CLARIFICATION:

- 1) The effectiveness of a grievance mechanism depends not only on informing stakeholders of its existence and how to use it, but also on the organization having a clear procedure to investigate all complaints submitted through the mechanism, implement measures to prevent recurrence, and, if necessary, provide remedies to affected parties.
- 2) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.

2.1.7.3
Major

- A. The organization conducts timely investigations of all complaints submitted through its grievance mechanism.
- B. The organization implements measures to prevent similar issues from recurring.
- C. If necessary, the organization provides remedies to all affected parties.
- D. The organization maintains records of all complaints submitted through its grievance mechanism.

INTENT AND CLARIFICATION:

- 1) This criterion is not applicable to members of a farm group.

APPLICABILITY:

Size: large farm, small processing facility, large processing facility

Material: all

2.1.8

Recommended practice

The organization consults affected stakeholders during its human rights risk assessments.

INTENT AND CLARIFICATION:

- 1) This recommended practice builds on criterion 2.1.4, which requires the organization to engage stakeholders affected by the priority risks of its human rights risk assessment (per criterion 2.1.3).
- 2) The organization is encouraged to engage stakeholders who are affected by its activities, whether or not those activities are identified as priority risks. This ensures that stakeholders are given every reasonable opportunity to voice concerns and collaborate in identifying and prioritizing actual human rights risks and potential impacts. Stakeholder engagement is critical to a robust assessment methodology, effective risk prioritization, and the development of measures for prevention and mitigation.

APPLICABILITY:

Size: all

Material: all

2.1.9

Recommended practice

The organization's human rights risk assessment considers the potentially higher severity and likelihood associated with sourcing inputs from unknown or mixed origins when determining risk priority.

INTENT AND CLARIFICATION:

- 1) This recommended practice builds on criterion 2.1.3, which requires the organization to conduct comprehensive human rights risk assessments.
- 2) The recommended practice is based on a rebuttable assumption that sourcing reclaimed inputs poses a higher human rights risk exposure for the organization than sourcing other materials. This is particularly true when inputs are of unknown or mixed origin, in which fragmentary or missing supply chain traceability disproportionately increases the organization's risk exposure. This is especially concerning when the organization does not have access to the information required to identify actual human rights risks and potential impacts, making it difficult to implement mitigation, prevention, or remediation measures. As a result, it is recommended that the organization's human rights risk assessment specifically considers the likelihood and severity of at least the following risks:
 - Child labor;
 - Forced labor, including identifying the most vulnerable groups of workers;
 - Decent income, working hours, and working conditions;
 - Health and safety, including potential hazards of local waste collection and applicable laws; and
 - Discrimination, harassment, and abuse, including but not limited to gender-based violence.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: recycled

2.1.10

Recommended practice

The organization proactively engages with Indigenous Peoples and Local Communities beyond the scope of land developments or acquisitions.

INTENT AND CLARIFICATION:

- 1) This recommended practice builds on criterion 2.1.5, which requires that the organization seek the FPIC of Indigenous Peoples and historically underserved traditional local communities in the specific context of land acquisitions or developments.
- 2) It further encourages the organization to engage with Indigenous Peoples and historically underserved traditional local communities on an ongoing basis, in order to inform mitigation, prevention, or remediation measures.
- 3) The organization makes all reasonable efforts to ensure representation of Indigenous Peoples and historically underserved traditional local communities, including appointed leadership and subgroups (or credible proxies thereof). Wherever publicly available, the organization adheres to specific engagement guidance (for example, language, format, temporality, and sequencing).

APPLICABILITY:

Size: all

Material: all

2.1.11 The organization incorporates stakeholder input into the design of its grievance mechanism and the procedures for handling complaints.

Recommended practice

INTENT AND CLARIFICATION:

- 1) This recommended practice builds on criterion 2.1.4, which requires the organization to engage stakeholders affected by the priority risks of its human rights risk assessment, and on criteria 2.1.5 and 2.1.6, which together define baseline expectations for the implementation of a grievance mechanism and the handling of complaints.
- 2) As with human rights risk assessments, it is recommended that the organization develops its grievance mechanism in consultation with affected stakeholders, among other reasons, because they are likely to use this mechanism and expect their complaints to be resolved. This approach improves the organization's ability to resolve disputes in a timely and impartial manner.
- 3) As with stakeholder engagement more broadly, the organization makes all reasonable efforts to ensure that consultations on the grievance mechanism and handling of complaints are conducted in a manner that respects cultural norms and values, with particular attention to the sensitivity of the topic.

APPLICABILITY:

Size: all

Material: all

2.1.12 The organization takes actions to improve the accessibility of its grievance mechanism for vulnerable groups.

Recommended practice

INTENT AND CLARIFICATION:

- 1) This recommended practice builds on criteria 2.1.5 and 2.1.6, which define baseline expectations for the implementation of a grievance mechanism and the handling of complaints.
- 2) The organization prioritizes accessibility and inclusivity (for example, the participation of vulnerable groups, including but not limited to women) as a measure of the overall effectiveness of its grievance mechanism.
- 3) Acknowledging that certain groups or specific persons are often more difficult to engage and are likely to feel uneasy about voicing concerns, the organization is encouraged to proactively share information on the existence of the grievance mechanism and the procedures for handling complaints in their preferred language, adapted to their literacy levels and taking into account potential distrust.

APPLICABILITY:

Size: all

Material: all

2.1.13 The organization maps other available grievance mechanisms in locations where it operates and shares this information with affected stakeholders to help direct them to the best-suited mechanism for addressing their complaints.

Leadership

INTENT AND CLARIFICATION:

- 1) This leadership criterion builds on criteria 2.1.5 and 2.1.6, which define baseline expectations for the implementation of a grievance mechanism and the handling of complaints.
- 2) The organizational grievance mechanism is intended to reinforce (rather than replace or act as proxies for) other non-judicial grievance mechanisms (for example, those available domestically or internationally), as well as stakeholder engagement activities and collective bargaining processes.
- 3) The organization shares information on available grievance mechanisms with affected stakeholders, both to complement its own system and to increase the likelihood of positive outcomes (such as a meaningful remedy) for those affected. Such non-state grievance mechanisms include, but are not limited to:
 - Organizational grievance mechanisms, which may be individual, joint (for example, backed by international buyers), or jurisdictional;
 - Certification systems' grievance mechanisms;
 - Internal dispute resolution mechanisms of Indigenous Peoples and Local Communities, governed by legal and customary rights; and

- Mediation or arbitration platforms.

The organization is not allowed to redirect complaints received through its own grievance mechanism toward alternative options.

APPLICABILITY:

Size: all

Material: all

2.2. Responsible working practices

2.2.1 The organization conducts legally required verifications before employing directly hired workers.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is for the organization to conduct systematic verifications for each directly hired worker, to better manage priority human rights risks (see criterion 2.1.3).
- 2) The organization requires all applicants to present valid identification documents to verify their age, identity, and right to work (particularly in the case of migrant workers). Wherever possible, the organization uses government systems or software to cross-check identification, especially to prevent underage workers from using falsified or misleading documents (for example, fake identification documents (IDs) or IDs belonging to another person).
- 3) A small farm does not necessarily have to conduct extensive verifications, particularly for family workers, but it takes measures to ensure all workers are of legal working age.

2.2.1.2

 A. For each directly hired worker, the organization conducts legally required identification, right-to-work, and age verifications.

B. The organization maintains records of the corresponding documentation.

Major

INTENT AND CLARIFICATION:

- 1) The organization maintains records of legal verifications for each directly hired worker.
- 2) A robust process is in place to verify the legal working age of each directly hired worker.

APPLICABILITY:

Size: large farm, small processing facility, large processing facility

Material: all

2.2.2 The organization ensures that directly hired workers do not bear the costs related to recruitment, in accordance with the Employer Pays Principle.¹⁹

INTENT AND CLARIFICATION:

- 1) The intent of the Employer Pays Principle is to ensure that no worker bears costs associated with recruitment.
- 2) The intent of this criterion is to protect workers from being made to pay substantial fees (for example, recruitment costs, travel, visa, and administrative costs, among other fees and service charges) to secure employment. Low-wage workers, especially migrants, are often compelled to take out loans to pay these recruitment fees, risking indebtedness and increased vulnerability to human rights harm.
- 3) Farms may manage documentation for family workers more informally than for directly hired workers, but the standard criteria apply equally to all.
- 4) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.

2.2.2.2 Major

- A. The organization ensures that directly hired workers do not bear the costs related to recruitment, in accordance with the Employer Pays Principle.²⁰
- B. The organization informs directly hired workers that they are not required to bear any recruitment-related costs and encourages them to raise any related concerns through designated channels.
- C. The organization implements measures to prevent the collection of recruitment fees from directly hired workers.
- D. When necessary, the organization provides remedies to all affected parties.

APPLICABILITY:

Size: large farm, small processing facility, large processing facility

Material: all

2.2.3 The organization ensures that all directly hired workers fully understand their contractual agreements before beginning work.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to ensure that the organization raises workers' awareness of the terms of their contractual agreements. By doing so, workers are better able to:
 - Understand all aspects of their contractual agreements; and
 - If necessary, take steps to avoid involuntary work (for example, when working conditions are inconsistent with the terms of work, or when workers do not understand those terms), which often increases their vulnerability to human rights abuses.
- 2) The organization recognizes and promotes internal awareness that workers in general—and especially those who are economically and socially vulnerable (for example, temporary, seasonal, migrant, piece-rate, documented, or undocumented workers)—often rely on having a contractual agreement to access essential public services (for example, safe drinking water, medical care, schooling).
- 3) Farms may manage documentation for family workers more informally than for directly hired workers, but the standard criteria apply equally to all.

2.2.3.2 Major

- A. The organization has a written contractual agreement with each directly hired worker. This agreement is signed before the worker begins work and includes:
 - a. The worker's date of birth, along with age verification;
 - b. Job description;
 - c. Working hours, including conditions for voluntary overtime;
 - d. Pay rate, method and frequency of payment, overtime pay rate, and legally required salary deductions;
 - e. Workplace location, employer name, and address;
 - f. Contract period (start and end dates), including provisions for contract renewal and conditions for early termination by either the worker (with or without reasonable notice) or the employer;
 - g. Daily break time; and
 - h. Benefits and leave entitlements, as well as repatriation terms (for overseas workers, this includes who arranges and pays for travel).
- B. The organization ensures that directly hired workers understand all aspects of their contractual agreement and are given every reasonable opportunity to ask questions before signing the document.

INTENT AND CLARIFICATION:

- 1) The signed contractual agreements include, at least, all the provisions from 2.2.3.2.A.a. to 2.2.3.2.A.h.

APPLICABILITY:

Size: large farm, small processing facility, large processing facility

Material: all

2.2.4 The organization monitors workforce data for its directly hired workers to ensure the fulfillment of contractual agreements.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to ensure that directly hired workers are paid according to the terms of their employment.
- 2) Organizations that monitor workforce data—such as working hours, leave entitlements, and minimum wage payments—are better equipped to manage conformance and uphold the workers' contractual agreements.

2.2.4.2 The organization maintains records to demonstrate fulfillment of contractual agreements for its directly hired workers, including: Major

- a. Daily start and end times;
- b. Total pay and benefits for regular working hours;
- c. Total overtime payments;
- d. Pay rates;
- e. Payment structure;
- f. Number of days of paid and unpaid leave earned and used;
- g. Daily break times; and
- h. Work status.

INTENT AND CLARIFICATION:

- 1) The organization maintains records that include all the specified data points, noting the following examples (this is not an exhaustive list):
 - Units of pay (for example, per unit of time, task, or piece);
 - Work status (for example, formal, informal/casual/without social security, temporary visa, or contracted workers);
 - Pay rates for different units of pay, quota amounts, overtime rates, disincentive pay, and efficiency pay;
 - Payment structure (including mixed job scenarios, piece work, quota-based work, and casual/as needed work); and
 - Number of days of paid and unpaid leave earned and used, including for holidays, vacation, sick time, and maternity leave.
- 2) Regular daily break times—including those for meals and prior to the start of overtime—are to be provided to directly hired workers.

APPLICABILITY:

Size: large farm, small processing facility, large processing facility

Material: all

2.2.5 If the organization hires workers through contracted labor providers, it communicates its expectation that all labor rights be respected.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is that the organization engages contracted labor providers in a manner consistent with the code of conduct (see criterion 2.1.2), to effectively share responsibilities in implementing the rights of contracted workers. The goal is to avoid inconsistencies in the way contracted workers and directly hired workers are managed during their day-to-day activities.

2.2.5.2
Major

- A. If the organization hires workers through contracted labor providers, it communicates its expectation that labor rights be respected by all hiring parties. The organization specifies the following expectations for contracted labor providers:
 - a. Implement the Employer Pays Principle²¹ and prohibit the withholding of wages under any circumstances;
 - b. Comply with applicable legal requirements, particularly those related to child labor, young workers, forced labor, discrimination, harassment and abuse, collective bargaining, and freedom of association;
 - c. Align contractual agreements and compensation packages with all applicable legal requirements;
 - d. Explain the terms of contractual agreements to contracted workers in a language they understand, giving them every reasonable opportunity to ask questions prior to signing;
 - e. Pay wages and benefits directly to contracted workers, ensuring they receive all legally applicable social protections; and
 - f. Implement all legally applicable health and safety measures for contracted workers. In particular, the contracted labor provider supplies personal protective equipment suited to the tasks performed and ensures its correct use.
- B. If a concern is identified, the organization raises it with the contracted labor provider responsible for the work to collaborate on preventing its recurrence.
- C. If necessary, the organization provides remedies to all affected parties.

APPLICABILITY:

Size: large farm, small processing facility, large processing facility

Material: all

2.2.6

The organization prohibits discrimination against any person for any reason, takes action to prevent it, and, if applicable, provides remedies to all affected parties.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is for the organization to address discrimination in the workplace, in line with its code of conduct (see criterion 2.1.2). Consistent with the findings of its human rights assessment (see criterion 2.1.3), the organization acknowledges that certain persons or groups are particularly vulnerable to discrimination, including, but not limited to, women, people with disabilities, young and elderly workers, unionized workers, and Indigenous Peoples. A key aspect of this criterion lies in raising workers' awareness of discrimination, so that they are empowered to take steps to avoid it and to flag concerns to the organization, which then implements all necessary measures for prevention and mitigation.
- 2) The organization acknowledges the sensitive nature of raising such concerns and, where applicable, seeking remedy, and takes all necessary precautions to prioritize the welfare of the person, recognizing the heightened vulnerability involved.
- 3) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.

2.2.6.2
Major

- A. The organization prohibits discrimination against any person for any reason.
- B. The organization takes action to train its workers (and their representatives, as applicable) to identify instances of discrimination and report concerns through designated channels.
- C. If made aware of related concerns, the organization takes action to prevent their recurrence.
- D. If applicable, the organization provides remedies to all affected parties.
- E. The organization maintains records of identified issues, the remediation process, and outcomes.

APPLICABILITY:

Size: large farm, small processing facility, large processing facility

Material: all

2.2.7 The organization prohibits harassment or abuse of any person for any reason, and if applicable, provides remedies to all affected parties.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is for the organization to address harassment and abuse in the workplace, in line with its code of conduct (see criterion 2.1.2). Consistent with the findings of its human rights assessment (see criterion 2.1.3), the organization acknowledges that certain persons or groups are particularly vulnerable to harassment and abuse, including, but not limited to, women, people with disabilities, young and elderly workers, unionized workers, and Indigenous Peoples. A key aspect of this criterion lies in raising workers' awareness of harassment and abuse, including gender-based violence, so that workers are empowered to take steps to avoid such behavior and report concerns to the organization, enabling it to implement all necessary measures for prevention and mitigation.
- 2) The organization acknowledges the sensitive nature of raising such concerns and seeking remedy, if applicable, and takes all necessary precautions to prioritize the welfare of the person, given their heightened vulnerability.
- 3) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.

2.2.7.2 Major

- A. The organization prohibits harassment and abuse, including gender-based violence, against any person, for any reason.
- B. The organization takes action to train all workers (and their representatives, as applicable) to identify instances of harassment and abuse, including gender-based violence, and to report concerns through designated channels.
- C. If made aware of related concerns, the organization takes action to prevent their recurrence.
- D. If applicable, the organization provides remedies to all affected parties.
- E. The organization maintains records of identified issues, the remediation process, and outcomes.

APPLICABILITY:

Size: large farm, small processing facility, large processing facility

Material: all

2.2.8 The organization respects and recognizes the rights of workers to join unions and other workers' organizations of their choice, and to bargain collectively.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to ensure that the organization allows workers to exercise their rights to freedom of association and collective bargaining, and to enable the operation of trade unions and worker representatives in the workplace. A key aspect of this criterion is raising workers' awareness of these rights, empowering them to take action and report concerns to the organization, which then implements necessary measures for prevention and remediation.
- 2) Unions and worker representatives are typically seen as watchdogs for human rights harms. When the organization engages with them regularly and enables them to perform their work, they contribute to informing and supporting the implementation of the organization's actions.
- 3) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.

2.2.8.2

- A. The organization ensures that directly hired workers and contracted workers are free to exercise their right to freedom of association and collective bargaining, including by becoming members of a workers' association or union of their choice.
- B. The organization takes actions to raise awareness among directly hired workers (and their representatives, as applicable) of their right to freedom of association and collective bargaining, and how to report concerns through designated channels.
- C. The organization prohibits retaliation against workers and their representatives exercising their right to freedom of association and collective bargaining.
- D. If made aware of related concerns, the organization takes action to prevent their recurrence.
- E. If applicable, the organization provides remedies to all affected parties.
- F. The organization maintains records of identified issues, the remediation process, and outcomes.
- G. Where applicable laws restrict the operation of workers' organizations, the organization supports the establishment of alternative forms of worker representation, such as worker-representative committees.
- H. Where there is an established worker-representative committee, its representatives are freely elected by workers.
- I. The organization provides an enabling environment for representatives to carry out their duties and any required training.

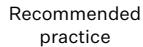
APPLICABILITY:

Size: large farm, small processing facility, large processing facility

Material: all

2.2.9

The organization provides worker benefits above legally required levels.

**INTENT AND CLARIFICATION:**

- 1) This recommended practice builds on criterion 2.2.3, which includes benefits as part of the terms of work that the organization is required to explain to its directly hired workers.
- 2) Over time, the organization develops a progress plan to offer worker benefits (for example, maternity leave, paid leave) that go above and beyond applicable legal requirements or industry standards. Benefits, including parental leave, where applicable, play an essential role in parents' ability to provide for their children, extended families, and communities. This includes, but is not limited to, vulnerable persons such as the elderly, in areas like food security, housing, schooling, social security, and healthcare.
- 3) With specific regard to children and young workers (see theme 2.5), the organization acknowledges and promotes internal awareness that offering benefits beyond legally applicable specifications provides parents with a credible alternative to bringing their children to work—particularly in situations where leaving them alone at home poses safety concerns or affordable childcare is unavailable. Additionally, enhancing benefits serves as a lever for the organization to address worker poverty and, in turn, supports progress in mitigating, preventing, and remedying priority human rights risks, such as forced labor, the worst forms of child labor, discrimination, harassment, abuse, and gender-based violence.

APPLICABILITY:

Size: all

Material: all

2.2.10

Recommended practice

The organization engages with a trade union or workers' association to deliver training and raise awareness among its workers.

INTENT AND CLARIFICATION:

- 1) This recommended practice channels the awareness-raising component embedded across Principle 2 criteria and builds on criterion 2.2.8, which requires the organization to implement and foster the right to freedom of association and collective bargaining.
- 2) The organization engages with trade unions or workers' associations, for example, through formal collaboration or partnership agreements.
- 3) Recognizing the specificity of the issues covered in theme 2.2, the organization is encouraged not to implement training in a vacuum, but rather to leverage the expertise of trade unions or workers' associations. Partnering to deliver training helps the organization share responsibilities, pool resources, and streamline training curricula and delivery for all workers.

APPLICABILITY:

Size: all

Material: all

2.2.11

Leadership

The organization refers victims of discrimination, harassment, or abuse to specialized entities like non-governmental organizations (NGOs) and service providers that offer support.

INTENT AND CLARIFICATION:

- 1) This leadership criterion builds on criteria 2.2.6 and 2.2.7, which require the organization to address, prevent, and remedy discrimination, harassment, and abuse, including gender-based violence.
- 2) The organization has established a process to identify and maintain a readily accessible list of entities to which it refers persons who have experienced discrimination, harassment, or abuse, as needed.
- 3) Recognizing the sensitivity of such harms, the organization works collaboratively with local civil society organizations and expert service providers to prioritize the welfare of the affected parties and ultimately inform the remediation measures.
- 4) This referral system does not substitute the handling of related complaints received through grievance mechanisms (see criterion 2.1.7). Instead, it supports the organization in addressing the comparatively higher risk of such concerns going unreported—and thus remaining unaddressed, without prevention or remediation.

APPLICABILITY:

Size: all

Material: all

2.3. Health and safety

2.3.1

The organization understands and complies with applicable health and safety laws.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is for the organization to comply with applicable health and safety laws to ensure the well-being of all workers.
- 2) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.

2.3.1.2

Contextual

- A. The organization regularly reviews health and safety laws applicable to its specific activities.
- B. The organization complies with applicable health and safety laws.

INTENT AND CLARIFICATION:

- 1) The organization maintains records demonstrating legal compliance with applicable health and safety laws, such as government-mandated audit findings or equivalent documentation.

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.3.2 The organization implements health and safety measures, training programs, and procedures, as necessary, to address both actual and potential workplace hazards.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to safeguard the health and safety of workers, visitors, and neighboring communities, including their right to health and a safe, healthy environment.
- 2) Given the risks associated with agriculture and textile production, the organization addresses the risks of workers handling chemicals and fertilizers in its human rights risk assessment (see criterion 2.1.3). It applies corresponding prevention and mitigation measures to manage these risks.
- 3) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.

2.3.2.2  Major

- A. The organization implements health and safety measures for all directly hired workers, contracted workers, visitors, and any neighboring communities to address the hazards prioritized through its human rights risk assessment (see criterion 2.1.3).
- B. The organization provides regular training on safety measures to all directly hired workers and contracted workers.

INTENT AND CLARIFICATION:

- 1) The organization delivers basic health and safety training to directly hired workers and contracted workers, at least at the start of their employment, during team meetings, or as part of in-person or practice-based training.

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.3.3 The organization provides first aid or other qualified medical care when necessary.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to ensure the organization is prepared for accidents or medical emergencies, so that it is capable of delivering potentially life-saving first aid as necessary.
- 2) Recognizing that farms and processing facilities are often located in remote areas, and that formal first aid certification is frequently inaccessible or unaffordable, the goal is to ensure access to at least qualified medical care on site.

2.3.3.2  Major

In the event of an accident or emergency affecting its workers or visitors, the organization has access to personnel certified to provide first aid, or to other locally qualified medical care, as necessary.

INTENT AND CLARIFICATION:

- 1) The organization maintains records (for example, first aid certificates in the name of a worker or manager, qualified care contractual agreements) demonstrating that first aid or qualified care is available to all workers and visitors in case of an accident or emergency.
- 2) If professional emergency health services are available and accessible, they may substitute on-site qualified care.
- 3) In case of an accident or emergency, timely first aid or qualified care is provided on site.

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.3.4 The organization ensures that first-aid supplies are stocked in line with operational needs and provided when required.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is for the organization to be prepared to provide first-aid supplies free of charge.
- 2) Given the risks associated with agriculture and textile production, the organization ensures that the nature, quantity, storage (i.e., conditions that respect expiration dates), and use of first aid supplies align with the findings of the human rights risk assessment (see criterion 2.1.3). For example, when heated components are present, burn treatment supplies are kept near the heat source, workers receive burn management training, and supplies are applied safely and effectively.

2.3.4.1 The organization ensures that first-aid supplies are well stocked and available free of charge to its workers, as needed.

 Major

INTENT AND CLARIFICATION:

- 1) The organization maintains physical first-aid supplies that are readily available to workers and visitors (for example, suited to the type of injury, free of charge, in good condition, and stocked to support expected usage).
- 2) For a small-scale farmer group, if any member has directly hired workers, the group manager collaborates with those members to implement the standard criteria.

APPLICABILITY:

Size: all

Material: all

2.3.5 The organization provides legally required health checks to directly hired workers.

INTENT AND CLARIFICATION:

- 1) The intent of a health check—during recruitment/on the job; annually or periodically—is to increase workers' awareness and help prevent health risks, allowing for early detection and timely treatment where necessary.
- 2) While the organization uses health checks to monitor workers' general health and risk exposure, particularly in dangerous working conditions (for example, night shifts, handling machinery or chemicals), it is not permitted to discriminate based on the results under any circumstances.
- 3) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.

2.3.5.2

- A. The organization provides legally required health checks to directly hired workers, free of charge, when they begin work.
- B. The organization ensures that health check results are not used in discriminatory ways.

INTENT AND CLARIFICATION:

- 1) If legally required, the organization arranges health checks for its directly hired workers and family workers (as applicable), free of charge and at least once before they begin work.
- 2) Findings (whether positive or negative) are not used in discriminatory ways (for example, in relation to access to promotions, pay raises, or training opportunities).

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.3.6 The organization provides workers with unrestricted access to clean and safe sanitation facilities and drinking water.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is for the organization to implement the right to a safe and healthy environment, in which access to drinking water and sanitation are key components.
- 2) Where farms and facilities are located in remote areas, ensuring access to safe drinking water and functional sanitation often presents a significant challenge. Additionally, the ability to regularly monitor (for example, through testing) and maintain infrastructure (for example, upkeep of permanent restroom facilities) is often limited. Nevertheless, the expectations outlined in this criterion are essential, both in terms of human dignity and workplace health and safety measures (see criterion 2.3.2).
- 3) The organization manages risks related to access to clean and safe drinking water and sanitation—especially those involving waterborne pathogens (for example, *Legionella* species, *Salmonella* species, *Escherichia coli*) and insect-borne diseases such as malaria, dengue, and yellow fever.

2.3.6.2 The organization provides unrestricted access to clean and safe sanitation facilities and drinking water to directly hired workers, contracted workers, and visitors.



Major

INTENT AND CLARIFICATION:

- 1) If the organization is located in a region with known water contamination risks or unsafe drinking water, it implements measures (for example, water storage, filtration devices, sanitation blocks) and maintains documented practices (for example, test results, maintenance contracts) to ensure that all directly hired workers, contracted workers, and visitors have access to clean and safe sanitation and drinking water.
- 2) If the organization is located in an area where there is a low risk of contamination to household water supplies, then water testing or related measures are not required.

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.3.7 The organization provides the necessary personal protective equipment (PPE) and monitors its correct use.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is for the organization to be prepared to provide PPE designed for the tasks performed, free of charge.
- 2) The organization ensures that the nature, quantity, use, and storage of PPE—including adherence to storage instructions and expiration dates—align with the findings of the human rights risk assessment (see criterion 2.1.3). For example, if its activities generate dust, the organization stocks respirator masks, provides guidance on correct use, and requires all on-site stakeholders to wear them.

2.3.7.2 A. The organization provides PPE to all workers (according to their activities) and visitors.



Major

- B. The organization ensures that PPE is designed for the tasks performed, provided free of charge, available in quantities that meet operational needs, and renewed frequently enough to effectively mitigate priority workplace hazards identified through its human rights risk assessment (see criterion 2.1.3).

- C. The organization ensures that PPE is provided to all workers handling pesticides or other chemicals, as prescribed on the chemical product label or in the Safety Data Sheet (SDS), and monitors its use to ensure it aligns with prescribed guidelines. If such information is unavailable, PPE provision is based on the risk level and handling method.

- D. The organization provides training on the correct use of PPE to all workers.

INTENT AND CLARIFICATION:

- 1) The organization oversees the correct use of PPE across the worksite, particularly among workers handling pesticides and other hazardous materials, as prescribed on product labels or in the SDS.
- 2) Line managers oversee the correct use of PPE and reinforce necessary training by explaining product label instructions to all workers in a language they understand, and as often as necessary to effectively manage the organization's priority risks (see criterion 2.1.3).

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.3.8 The organization ensures that all machinery is well maintained and safe to use.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is for the organization to ensure the safety of all on-site stakeholders in relation to potentially dangerous machinery.
- 2) The organization adopts machine safety measures consistent with its priority health and safety risks (see criterion 2.1.3). For example, if a farm or processing facility uses cutting machines, it takes necessary actions, such as implementing physical or automatic safeguards, providing training, restricting its use to qualified personnel, securely storing or encasing spare parts, and maintaining equipment in safe working condition.

2.3.8.2

 Major

- A. The organization ensures that machinery is well maintained and renewed frequently enough to effectively mitigate workplace hazards, as prioritized through its human rights risk assessment (see criterion 2.1.3).
- B. The organization ensures that machines are safe to use, including guarding or encasing dangerous parts.
- C. The organization provides machine safety training to both directly hired and contracted workers.

INTENT AND CLARIFICATION:

- 1) The organization ensures that machinery is safe and well maintained, protected by safeguards such as locks and casings.
- 2) The organization maintains safety training records.

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.3.9 The organization monitors extreme weather events and takes necessary measures to ensure the health and safety of its workers.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to raise the organization's awareness of risks posed by extreme weather events (such as droughts, floods, heatwaves, and strong winds) and to help mitigate the most severe impacts of these events on workers.
- 2) Recognizing that extreme weather events are becoming more frequent, unpredictable, and intense, the organization adopts a proactive approach to minimize their most severe impacts on all on-site workers, in alignment with identified priority risks (see criterion 2.1.3). This includes making adjustments to worksite facilities (for example, ventilation and water evaporative cooling systems) and/or workload (for example, shift modifications, increased rest time to maintain safe core body temperature levels).

2.3.9.2

 Major

- A. The organization monitors extreme weather events.
- B. The organization adjusts workplace processes or equipment as necessary to ensure the health and safety of its workers.

INTENT AND CLARIFICATION:

- 1) The organization has and implements a clear process for monitoring extreme weather events (for example, weather reports, alerting systems) and mitigating the worst impacts of these events on workers.
- 2) Mitigating measures include, but are not limited to, modifying shifts, providing rest and shade for all on-site workers, and training workers and line managers on weather-related safety protocols.

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.3.10

If the organization provides worker housing, it complies with applicable legal requirements.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to protect all workers from unhealthy housing conditions (especially in the absence of applicable legal requirements). It is applicable only when worker housing is provided by the organization, whether on- or off-site.
- 2) For farms and facilities located in remote areas, providing worker housing presents both a major challenge (for example, development and maintenance) and an opportunity to mitigate risks.
- 3) The organization pays particular attention to structural safety and potential issues such as wall cracks and fire drills. It conducts regular inspections and maintenance of exit facilities, fire detectors, fire extinguishers, alarms, and emergency lighting. It ensures that electrical and gas licenses are up to date, regularly inspects and maintains waste disposal systems, tests drinking water supplies as well as electrical circuits, connections, and appliances, and maintains ongoing maintenance schedules.
- 4) Farms may manage documentation for family workers more informally than for directly hired workers, but the standard criteria apply equally to all.
- 5) The organization takes particular note of the socio-economic and cultural considerations associated with worker housing and consults with workers as needed to adapt equipment to local conditions and ensure practical implementation on-site, as well as accommodate collective preferences. For example, in certain cultures, wash basins are often preferred over shower blocks, or they tend to be more practical due to local climatic conditions.

2.3.10.2

 Major

- A. If the organization provides housing for on-site workers (and their families, as applicable), it complies with applicable laws.
- B. The organization maintains documentary evidence of legal compliance.
- C. At least—and especially in the absence of applicable laws—the organization provides safe and dignified living quarters at no additional cost to the worker.

INTENT AND CLARIFICATION:

- 1) When the organization provides worker housing, it ensures safe and dignified living quarters (for example, safe cooking facilities, ventilation, drinking water, and sanitation equipment) and complies with applicable laws, or with the minimum requirements indicated in 2.3.10.2.C.
- 2) Records maintained by the organization typically include government inspection reports (wherever required), maintenance bills, transportation contracts, and grievance logs.
- 3) Workers are able to travel freely and safely to and from their worksite.

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.3.11

Leadership

The organization works with local stakeholders to improve response mechanisms to be used during extreme weather events or longer-term environmental changes.

INTENT AND CLARIFICATION:

- 1) This leadership criterion builds on subcriterion 2.3.9.2, which requires organizations to protect workers from the most severe impacts of extreme weather events.
- 2) Given the cross-cutting nature and technical complexity of monitoring extreme weather events and their related impacts, organizations are encouraged to collaborate with local stakeholders (for example, civil society organizations, government bodies, expert service providers, and disaster relief experts) to improve their response mechanisms and develop solutions tailored to local contexts.
- 3) The organization engages with key stakeholders, for example through formal collaboration or partnership agreements. Partnering enables the organization to share responsibilities, pool resources, and streamline methodologies—ultimately allowing for more efficient monitoring of medium- and long-term changes and better mitigation of emerging risks.

APPLICABILITY:

Size: all

Material: all

2.4. Fair pay, benefits, and working hours

2.4.1 The organization does not withhold workers' pay under any circumstances.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to protect workers from abusive pay retention, whether or not applicable laws recognize this practice as illegal.
- 2) Wage retention infringes on workers' ability to support themselves and their families, further exposing already vulnerable persons to human rights harm.
- 3) Farms may manage documentation for family workers more informally than for directly hired workers, but the standard criteria apply equally to all.
- 4) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.

2.4.1.2

- A. The organization does not, under any circumstances, withhold pay from directly hired workers.
- B. The organization clearly communicates to directly hired and contracted workers (and their representatives, as applicable) that it does not withhold wages, so that workers understand this policy and feel safe reporting related concerns through designated channels.
- C. If made aware of related concerns, the organization takes action to prevent their recurrence.
- D. If applicable, the organization provides remedies to all affected parties.

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.4.2 The organization ensures that directly hired workers' regular working hours do not exceed forty-eight (48) hours per week, unless an alternate limit is defined by applicable laws or collective bargaining agreements.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to protect workers from excessive working hours (i.e., more than forty-eight (48) hours per week), whether or not applicable laws recognize this practice as illegal.
- 2) The organization acknowledges and promotes internal awareness that workers need rest that meets their physical needs in order to manage job demands and family responsibilities. Without this, workers are at increased risk of human rights harm.
- 3) Farms may manage documentation for family workers more informally than for directly hired workers, but the standard criteria apply equally to all.
- 4) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.

2.4.2.2  **Major** A. The organization ensures that directly hired workers' regular working hours do not exceed forty-eight (48) hours per week, unless an alternate limit is documented in accordance with applicable laws or collective bargaining agreements. It also communicates its expectation that contracted labor providers apply the same to contracted workers (see criterion 2.2.5), if applicable.
B. The organization clearly communicates applicable working hours limitations to directly hired workers and contracted workers (and their representatives, as applicable), so that all workers understand the specifications and feel safe to report related concerns through designated channels.
C. If made aware of related concerns, the organization takes action to prevent their recurrence.
D. If applicable, the organization provides remedies to all affected parties.

INTENT AND CLARIFICATION:

- 1) The organization implements its forty-eight (48)-hour regular working limitations. Alternatively, the organization provides written references to applicable laws, or collective bargaining agreements, that permit an alternate limit.

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.4.3 The organization aims to ensure that overall working hours do not exceed sixty (60) hours in any seven (7)-day period. To uphold this, it implements necessary measures to protect workers' health and safety, including:

- a. Ensuring overtime is voluntary and in accordance with applicable legal requirements;
- b. Providing adequate rest to minimize fatigue and safeguard worker well-being;
- c. Allowing for exceptional circumstances only when justified and without increased risk to health and safety; and
- d. Conforming to the specific expectations outlined in the applicable subcriteria below.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to protect workers from excessive overtime, whether or not applicable laws recognize this practice as illegal.
- 2) The organization acknowledges and promotes internal awareness that workers need rest that meets their physical needs in order to manage job demands and family responsibilities. Without this, workers are at increased risk of human rights harm.
- 3) The criterion aims to ensure that if workers are requested to work overtime, processes are in place to ensure this does not become regular or necessary, and that steps are taken to protect workers' health and safety.
- 4) Farms may manage documentation for family workers more informally than for directly hired workers, but the standard criteria apply equally to all.

5) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.

2.4.3.2
Major

- A. If overtime is required, the organization aims to ensure that the total number of working hours does not exceed sixty (60) hours in any seven (7)-day period, and that the following conditions are met:
 - a. Overtime is strictly voluntary and permitted by applicable laws;
 - b. If a collective agreement is in place, overtime is managed accordingly;
 - c. Safeguards are taken to protect workers' health and safety; and
 - d. Workers benefit from adequate rest periods, including:
 - i. At least twenty-four (24) consecutive hours of rest in every seven (7)-day period, or forty-eight (48) consecutive hours of rest in every fourteen (14)-day period;
 - ii. At least ten (10) consecutive hours of rest per twenty-four (24)-hour period; and
 - iii. At least a thirty (30)-minute break after a maximum of six (6) consecutive hours of work.
- B. If, under exceptional circumstances, overtime exceeds sixty (60) hours in any seven (7)-day period, the organization ensures:
 - a. The nature of the work and the workload allow it to be carried out without increased risk to safety and health;
 - b. The shift system is designed to minimize fatigue accumulation; and
 - c. The employer is able to demonstrate that exceptional circumstances apply, such as unexpected production peaks, accidents, or emergencies.
- C. The organization clearly communicates overtime specifications to directly hired and contracted workers (and their representatives, as applicable), so that all workers understand the requirements and feel safe reporting related concerns through designated channels.
- D. If made aware of related concerns, the organization takes action to prevent recurrence.
- E. If applicable, the organization provides remedies to all affected parties.

INTENT AND CLARIFICATION:

- 1) The organization engages with directly hired and contracted workers regarding overtime (for example, during onboarding, training sessions, team meetings) to ensure that:
 - They understand the overtime specifications;
 - They are encouraged to report any related concerns; and
 - The organization is made aware of excessive overtime if it occurs.

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.4.4

For work performed during regular working hours, the organization pays at least the legally required minimum wage.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to protect workers from incomplete and/or irregular wage payments.
- 2) Paying less than the legally required minimum wage infringes on workers' ability to support themselves and their families, further exposing potentially already vulnerable workers to human rights harm.
- 3) Farms may manage documentation for family workers more informally than for directly hired workers, but the standard criteria apply equally to all.

4) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.

2.4.4.1
Major

- A. For work performed by directly hired workers during regular working hours (per criterion 2.4.2), the organization pays these workers at least the highest of the following: the legally required minimum wage, the wage negotiated through a collective bargaining agreement, or the industry standard wage.
- B. The organization clearly communicates the applicable wage rates to both directly hired and contracted workers (and their representatives, where applicable), ensuring they understand the terms and feel safe reporting related concerns through designated channels.
- C. When made aware of related concerns, the organization takes action to prevent their recurrence.
- D. Where applicable, the organization provides remedies to all affected parties.

INTENT AND CLARIFICATION:

- 1) For a small-scale farmer group, if any member has directly hired workers, the group manager collaborates with those members to implement the standard criteria.

APPLICABILITY:

Size: all

Material: all

2.4.5

- A. The organization pays at least the legally required premium for any overtime performed.
- B. The organization conforms with the specific expectations as outlined in the applicable subcriterion below.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to protect workers from irregular or underpaid overtime.
- 2) Failing to pay workers an overtime premium—whether established by applicable laws, a collective bargaining agreement, industry standard, or a formally adopted employment policy—undermines their ability to support themselves and their families. This practice tends to disproportionately impact vulnerable workers and often leads to adverse human rights consequences, particularly in contexts where such premiums represent a recognized standard of fair compensation.
- 3) Farms may manage documentation for family workers more informally than for directly hired workers, but the standard criteria apply equally to all.
- 4) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.

2.4.5.1
Major

- A. For any overtime work performed by directly hired workers, the organization pays at least one of the following, whichever is highest:
 - a. The applicable legal requirements for overtime pay;
 - b. The premium wage negotiated in a collective bargaining agreement;
 - c. The established industry standard for overtime wages; or
 - d. 125% of the worker's regular rate of pay.
- B. The organization clearly communicates the applicable overtime premium to directly hired and contracted workers (and their representatives, as applicable), ensuring that all workers understand its specifications and feel safe reporting related concerns through designated channels.
- C. When made aware of related concerns, the organization takes action to prevent their recurrence.
- D. If applicable, the organization provides remedies to all affected parties.

INTENT AND CLARIFICATION:

- 1) For a small-scale farmer group, if any member has directly hired workers, the group manager collaborates with those members to implement the standard criteria.

APPLICABILITY:

Size: all

Material: all

2.4.6 If the organization provides loans to workers, it ensures that the terms are fair and transparent.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to prevent workers from incurring serious debt.
- 2) Fair and transparent terms are essential to enable workers to repay loans while still supporting themselves and their families. This helps prevent further exposure of already vulnerable workers to human rights harm.
- 3) Farms may manage documentation for family workers more informally than for directly hired workers, but the standard criteria apply equally to all.

2.4.6.1 Major

- A. If an organization provides loans to directly hired or contracted workers, it implements fair and transparent terms. At the very least:
 - a. The loan agreement complies with applicable legal limits;
 - b. The aggregate amount of the loan or salary advance does not exceed 50% of the worker's monthly base wage; and
 - c. The monthly loan payment does not exceed 10% of the worker's monthly base wage.
- B. If an organization provides loans to directly hired or contracted workers, it ensures that any interest rate charged:
 - a. Does not place an undue burden on workers for repayment or bind them to the job; and
 - b. Does not exceed interest rates set by government-regulated financial institutions or prevailing market lending rates in the region.
- C. The organization explains the loan terms and conditions to workers in a language and vocabulary they understand.

INTENT AND CLARIFICATION:

- 1) For a small-scale farmer group, if any member provides loans to directly hired workers, the group manager collaborates with those members to implement the standard criteria.

APPLICABILITY:

Size: small farm

Material: wool, mohair, alpaca, hide/raw hide

2.4.6.2 Major

- A. If an organization provides loans to directly hired or contracted workers, it implements fair and transparent terms. At the very least:
 - a. The loan agreement complies with applicable legal limits;
 - b. The aggregate amount of the loan or salary advance does not exceed 50% of the worker's monthly base wage; and
 - c. The monthly loan payment does not exceed 10% of the worker's monthly base wage.
- B. If an organization provides loans to directly hired or contracted workers, it ensures that any interest rate charged:
 - a. Does not place an undue burden on workers for repayment or bind them to the job; and
 - b. Does not exceed interest rates set by government-regulated financial institutions or prevailing market lending rates in the region.

C. The organization documents the loan terms and conditions in writing, explains them to workers prior to their signature in a language and vocabulary they understand, and includes a formal loan request from the worker.

INTENT AND CLARIFICATION:

- 1) If the organization provides loans to workers, it maintains a copy of all signed agreements. These agreements include fair and transparent loan limitations and interest rates.
- 2) The organization has a process in place to determine applicable loan limitations and interest rates.

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.5. Child labor and forced labor

2.5.1 The organization protects the health, safety, and well-being of children living and/or working on site.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to ensure that children are protected by requiring the organization to comply with applicable legal requirements on child labor and to assess and address potential hazards in work affecting their physical, mental, and emotional development, health, and well-being.
- 2) In line with ILO guidance,²² the organization prevents the worst forms of child labor, as well as the exposure of youth under the age of eighteen (18) to hazardous work.
- 3) The organization does not employ children under the age of fifteen (15). An exception is made in developing countries—where economic and educational resources are not yet fully established—allowing organizations to specify a minimum age of fourteen (14) for regular employment, provided consultation with employers' and workers' organizations has taken place. The organization never allows any child under the age of fourteen (14) to enter regular employment, restricting them to informal, non-employment activities within the family or educational settings.
- 4) In line with ILO guidance²³ and in compliance with applicable laws, the organization may permit light work from the age of twelve (12), provided it is not likely to harm the child's health or development and does not interfere with school attendance, participation in vocational training, or the ability to benefit from education.
- 5) The organization considers its exposure to child labor as part of its human rights risk assessment (see criterion 2.1.3). This includes the correlation between child labor and the working conditions prevalent among extended families and communities (for example, economic pressures that contribute to children engaging in work and/or discontinuing their education prematurely).
- 6) Farms may manage documentation for family workers more informally than for directly hired workers, but the standard criteria apply equally to all.
- 7) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.

2.5.1.2


Major

- A. The organization understands and implements the applicable legal limitations on the hours and types of work involving children. When children perform on-site work, the organization ensures it is suited to their developmental stage and is conducted under safe conditions.
- B. The organization clearly communicates child labor limitations to both directly hired and contracted workers, ensuring that all workers understand the requirements and feel safe reporting related concerns through designated channels.
- C. If any of the worst forms of child labor are identified, the organization removes the children from all work and ensures their access to safe housing, meals, and protection from harm, pending further remediation (per criterion 2.5.3).
- D. If made aware of other child labor concerns, the organization takes action to prevent recurrence.
- E. Where applicable, the organization provides remedies to all affected parties.

F. The organization encourages all workers to prioritize access to education for their children living on site.

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.5.2

The organization protects the health, safety, and well-being of young workers—defined as persons between the minimum legal working age and eighteen (18) years of age—who live and/or work on site.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to ensure that young workers are protected by requiring the organization to comply with applicable legal requirements regarding their employment, and to build and act on an understanding of the potential hazards associated with work affecting their physical, mental, and emotional development, health, and well-being.
- 2) While employing young workers is permissible under specific circumstances (as detailed in applicable laws and international conventions), the organization prevents young people under the age of eighteen (18) from being exposed to hazardous work. Accordingly, the organization considers young workers as part of its human rights risk assessment (see criterion 2.1.3).
- 3) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.

2.5.2.2

- A. The organization understands and implements applicable legal limitations on the hours and types of work involving young workers. Specifically:
 - a. Young workers' participation in hazardous activities is restricted to training contexts, where such activities are conducted sporadically, briefly, and under close oversight; and
 - b. The working hours, payment, and benefits for workers under eighteen (18) years of age, full-time students, student learners, or apprentices comply with applicable laws.
- B. The organization clearly communicates the limitations regarding young workers to both directly hired and contracted workers, ensuring that all workers understand the specifications and feel safe reporting related concerns through designated channels.
- C. Upon becoming aware of related concerns, the organization takes action to prevent recurrence.
- D. If applicable, the organization provides remedies to all affected parties.
- E. The organization encourages all workers to prioritize access to education for young workers.

INTENT AND CLARIFICATION:

- 1) The organization is aware of and complies with applicable legal requirements concerning young workers.
- 2) The organization carries out engagement efforts to inform workers about these limitations, ensuring they understand the specifications and feel encouraged to report any related concerns.

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.5.3 If children are found working outside applicable legal limitations, the organization takes action to implement corrective measures.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to emphasize the organization's responsibility to address and remedy all instances of child labor found outside applicable legal requirements, as outlined in criterion 2.5.1.
- 2) The organization may seek support from local service providers and civil society organizations to design robust child labor remediation plans aligned with internationally recognized guidance when deemed necessary.
- 3) The organization is aware of the sensitive nature of addressing such concerns and seeking remedy if applicable, and takes all necessary precautions to prioritize the welfare of the children, given their heightened vulnerability.
- 4) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.
- 5) Further guidance is available in the *TE-MM-GUI-127 Developing and Implementing a Grievance Mechanism and Remediation Plan Guide*.

2.5.3.2

 Critical

- A. If children are found to be working outside applicable legal limitations, the organization takes immediate action to remove them from all work and ensure they have access to safe housing, meals, and protection from harm until further remediation action is undertaken.
- B. If the organization employs contracted workers, it communicates the same specifications to its contracted labor providers and collaborates with them on implementation.
- C. The organization also implements a child labor remediation plan, which includes at least the following measures:
 - a. Conduct a timely assessment of the child's situation within the specific context of the site;
 - b. Define possible remediation solutions with legal guardians, the child, and contractors (if applicable), such as access to vocational schools or other training options;
 - c. Define roles and responsibilities of production site managers/farm owners, children, legal guardians, and specialized service providers; and
 - d. Provide support to the child, family, and contracted labor providers (if applicable) throughout the remediation process.
- D. The organization maintains a written record of all incidents of child labor, corresponding remediation actions, and outcomes.

INTENT AND CLARIFICATION:

- 1) Further guidance is available in the *TE-MM-GUI-127 Developing and Implementing a Grievance Mechanism and Remediation Plan Guide*.

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.5.4 The organization prohibits all forms of forced labor and, if identified, provides timely remedies to all affected parties.

INTENT AND CLARIFICATION:

- 1) The intent of the criterion is to protect workers from forced labor, which is a combination of involuntary work and the use of threats, coercion, or intimidation (i.e., either factor is a major risk; in combination, they qualify as forced labor).
- 2) The organization prohibits all forms of forced labor, in compliance with applicable laws and in alignment with ILO Conventions 29²⁴ and 105.²⁵ It demonstrates a broader commitment to safeguarding the well-being of workers, their families, and the communities in which it operates.
- 3) As part of its human rights risk assessment (see criterion 2.1.3), the organization evaluates its exposure to all forms of forced labor, specifically considering indicators such as: abuse of vulnerability, deception, restriction of movement, isolation,

intimidation and threats, withholding of wages, debt bondage, physical or sexual violence, retention of identity documents, abusive working and living conditions, and excessive overtime.

- 4) The organization takes necessary precautions to prioritize the safety, dignity, and welfare of workers, especially those in vulnerable situations.
- 5) If the organization employs contracted workers, the same specifications applied to directly hired workers are to be communicated to contracted labor providers. The organization collaborates with them to implement measures for prevention, mitigation, and remediation, as necessary.

2.5.4.2

Critical

- A. The organization does not engage in any form of forced labor.
- B. The organization clearly communicates its policies regarding forced labor to both directly hired and contracted workers, ensuring that all workers understand them and feel safe reporting related concerns through designated channels.
- C. If made aware of related concerns, the organization takes action to prevent their recurrence.
- D. If applicable, the organization provides remedies to all affected parties.
- E. The organization maintains a record of all instances of forced labor, corresponding remediation actions, and outcomes.

APPLICABILITY:

Size: medium farm, large farm, small processing facility, large processing facility

Material: all

2.5.5

Recommended practice

The organization works collaboratively with local stakeholders to develop, implement, and monitor the effectiveness of its plans to prevent, mitigate, and remediate child labor, forced labor, or both.

INTENT AND CLARIFICATION:

- 1) This recommended practice builds on criteria 2.5.1, 2.5.2, 2.5.3, and 2.5.4, which require organizations to address, prevent, and remedy the worst forms of child labor and/or forced labor.
- 2) Given the cross-cutting nature of monitoring child labor and forced labor, organizations are encouraged to collaborate with local stakeholders (for example, civil society organizations, government bodies, expert service providers) to improve their response mechanisms and develop solutions tailored to local contexts.
- 3) In particular, collaborating with workers, civil society, and communities helps organizations share responsibilities, pool resources, and streamline methodologies (especially to identify and mitigate the root causes of child labor and/or forced labor locally) and ultimately implement holistic preventive systems to detect, prevent, and remediate child labor and/or forced labor, developed and operated in partnership with workers, civil society, and communities (for example, child labor monitoring and remediation systems, community-based monitoring).

APPLICABILITY:

Size: all

Material: all

2.5.6

Leadership

The organization refers victims of child labor and/or forced labor to non-governmental organizations (NGOs) and service providers that offer support to victims.

INTENT AND CLARIFICATION:

- 1) This leadership criterion builds on criteria 2.5.1, 2.5.2, 2.5.3, and 2.5.4, which require the organization to address, prevent, and remedy the worst forms of child labor, the involvement of young workers in inappropriate activities, and/or forced labor.
- 2) Recognizing the sensitivity of such harm, the organization works collaboratively with local civil society organizations and expert service providers to prioritize the welfare of the affected parties and ultimately inform the remediation measures.
- 3) This referral system does not substitute the handling of related complaints received through grievance mechanisms (see criterion 2.1.7). Instead, it supports the organization in addressing the comparatively higher risk of such concerns going unreported—and thus remaining unaddressed, without prevention or remediation.

APPLICABILITY:

Size: all

Material: all

2.6. Livelihoods

2.6.1 The organization takes steps to progress toward paying living wages to all directly hired workers.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to provide actionable recommendations for the organization to progress toward supporting its workers in achieving a decent standard of living for themselves, their families, and their communities.
- 2) The concept of “living wages” applies to directly hired workers (and family workers, to the extent that they are formally paid wages), whereas “living income” refers to any income earner, such as self-employed farmers.
- 3) Farms may manage documentation for family workers more informally than for directly hired workers, but the standard criteria apply equally to all.

2.6.1.1



Leadership

- A. The organization has identified a local living wage benchmark and annually assesses the gap between the actual wages of its directly hired workers and the locally applicable benchmark.
- B. The organization has a plan to reduce or close any gaps between the living wage benchmark and its actual wages.
- C. The organization demonstrates that directly hired workers are paid the locally applicable living wage benchmark, or documents ongoing, annual progress toward meeting that goal.

INTENT AND CLARIFICATION:

- 1) The organization has the option to use available, locally applicable living wage calculations. In some cases, benchmarks are not available or do not align with the organization’s specific context, making it important to seek expert support from local service providers, unions, or civil society organizations.
- 2) The organization compares the median wages it pays to directly hired workers, excluding overtime payments, performance bonuses, or similar add-ons. The goal of this process is to highlight the extent of the gap (if any) between living wage benchmarks and actual wages.
- 3) The organization implements measures to reduce the gap between locally applicable living wage benchmarks and its actual wages.
- 4) The organization acknowledges and builds internal awareness that a living wage benchmark is a composite metric. Achieving living wages does not rely exclusively on increasing workers’ wages but also includes adjustments to other variables (for example, benefits), which are often more practical and meaningful for workers and their families.
- 5) Achieving a living wage for all directly hired workers takes time. The organization is encouraged to document its process and maintain evidence of continuous progress on the matter.

APPLICABILITY:

Size: all

Material: all

2.6.2 The organization provides fair and transparent pricing to its direct raw material suppliers for the products and services they deliver.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to provide actionable recommendations for the organization to progress toward addressing the impact of its pricing practices on suppliers—particularly in terms of enabling them to potentially achieve a living income and offer fair working conditions to their own workers. A good starting point is for the organization to account for the risks that its pricing practices potentially pose to suppliers in its human rights risk assessment (per criterion 2.1.3).
- 2) Farmers are often unable to influence their own access to a living income. The intent of this criterion is to ensure they take living incomes into account when interacting with suppliers, potentially including other farmers.

2.6.2.1



Leadership

- A. The organization annually assesses the impact of its pricing practices on its direct raw material suppliers and adjusts findings for inflation.
- B. The organization collaborates with direct raw material suppliers to adjust its pricing system and mitigate adverse impacts as necessary.

INTENT AND CLARIFICATION:

- 1) In certain circumstances, the prices paid for goods and services do not fully cover production costs (for example, the cost of raw materials, component parts, and labor for producing the specific order), exposing farmers or supply chain workers to potential human rights harm.
- 2) Having identified the impacts, the organization is encouraged to collaborate with direct suppliers to mitigate the potentially adverse effects of its pricing practices. Potential solutions include a range of mutually reinforcing measures, not limited to increasing financial compensation, but also encompassing adjustments to payment conditions (for example, advances), ensuring timely and consistent payments, and providing forecasting support to suppliers.
- 3) To assess its pricing practices, the organization is encouraged to develop an engagement process with its direct suppliers, adapted to the specific context.
- 4) This engagement process is designed to achieve a mutual understanding of the organization's pricing practices and their potential knock-on effects on suppliers of goods or services.

APPLICABILITY:

Size: all

Material: all

¹ United Nations General Assembly. (1948). *Universal Declaration of Human Rights*.
<https://www.ohchr.org/en/universal-declaration-of-human-rights>

² United Nations General Assembly. (1966). *International Covenant on Economic, Social and Cultural Rights*.
<https://www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-economic-social-and-cultural-rights>

³ United Nations General Assembly. (1966). *International Covenant on Civil and Political Rights*.
<https://www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-civil-and-political-rights>

⁴ United Nations Human Rights Office of the High Commissioner, United Nations. (2011). *Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework*.
https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

⁵ Organisation for Economic Co-operation and Development (OECD). (2018). *OECD Due Diligence Guidance for Responsible Business Conduct*.
https://www.oecd.org/content/dam/oecd/en/publications/reports/2018/02/oecd-due-diligence-guidance-for-responsible-business-conduct_c669bd57/15f5f4b3-en.pdf

⁶ International Labour Office, International Labour Organization. (1998, amended 2022). *ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up*.
https://www.ilo.org/sites/default/files/2024-04/ILO_1998_Declaration_EN.pdf

⁷ International Labour Organization. (1930). C29 – Forced Labour Convention.
https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312174:NO

⁸ International Labour Organization. (1957). C105 – Abolition of Forced Labour Convention.
https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312250:NO

⁹ International Labour Organization. (1973). C138 – Minimum Age Convention.
https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312283:NO

¹⁰ International Labour Organization. (1999). C182 – Worst Forms of Child Labour Convention.
https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312327:NO

¹¹ International Labour Organization. (1958). C111 – Discrimination (Employment and Occupation) Convention.
https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312256:NO

¹² International Labour Organization. (1948). C87 – Freedom of Association and Protection of the Right to Organise Convention.
https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:12100:0::NO:P12100_INSTRUMENT_ID:312232

¹³ International Labour Organization. (1949). C98 – Right to Organise and Collective Bargaining Convention.
https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:12100:0::NO:P12100_INSTRUMENT_ID:312243

¹⁴ International Labour Organization. (1951). C100 – Equal Remuneration Convention.
https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312245:NO

¹⁵ International Labour Organization. (1981). C155 – Occupational Safety and Health Convention.
https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312300:NO

¹⁶ International Labour Organization. (2006). C187 – Promotional Framework for Occupational Safety and Health Convention.
https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:12100:0::NO:12100:P12100_INSTRUMENT_ID:312332:NO

¹⁷ See endnote 4.

¹⁸ See endnote 5.

¹⁹ Institute for Human Rights and Business (IHRB). The Employer Pays Principle.
<https://www.ihrb.org/projects/employer-pays-principle#:~:text=The%20Employer%20Pays%20Principle%20is,for%20recruitment%20to%20jobs%20abroad>

²⁰ See endnote 19.

²¹ See endnote 19.

²² See endnote 6.

²³ See endnote 6.

²⁴ See endnote 7.

²⁵ See endnote 8.

Principle 5: Processing facility

Principle 5 addresses the environmental impacts associated with the primary processing of certified materials. The organization responsible for this processing stage implements a comprehensive environmental management system (EMS) (theme 5.1). This system ensures responsible stewardship of environmental resources through provisions for the safe use of chemicals (theme 5.2), effective waste management (theme 5.3), efficient water use and effective handling of wastewater and effluents (theme 5.4), control of air emissions (theme 5.5), and optimization of energy use (theme 5.6).

Through the EMS, the processing facility commits to improving resource management by enhancing operational efficiency and embracing continuous environmental improvement. Principle 5 applies to all facilities involved in the primary processing of certified materials, whether they are sourced from farms or reclaimed sources.

The criteria under Principle 5 are based on the following internationally recognized frameworks:

- ISO 14001:2015 *Environmental management systems – Requirements with guidance for use*;¹
- ZDHC Guidelines for Fibres;²
- *ZDHC Wastewater Guidelines*;³
- *Globally Harmonized System of Classification and Labelling of Chemicals (GHS)*;⁴
- *EU Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)*;⁵
- EU Best Available Techniques (BAT) Reference Documents (BREFs);⁶
- *EU Directive 2008/98/EC of the European Parliament and of the Council on waste and repealing certain Directives (Waste Framework Directive)*;⁷ and
- European Chemicals Agency (ECHA)’s chemicals database: ECHA CHEM.⁸

5.1. Environmental management system

5.1.1

The organization has a written environmental management system (EMS) in place, which includes:

Major

- A procedure for updating the EMS to remain in compliance with applicable legal requirements;
- A procedure for documenting, measuring, and tracking environmental indicators;
- A procedure to develop and review targets annually, which aim to achieve meaningful environmental improvements across all indicators; and
- Procedures and records for training workers in environmental issues.

INTENT AND CLARIFICATION:

- 1) The scope of the EMS corresponds to the scale and intensity of the operations.
- 2) A formal written EMS covering all environmental indicators (for example, energy use, water use, wastewater/effluent, emissions to air, waste management, and chemical management) typically includes the following components:
 - EMS Manual (EM)—Provides a roadmap of the EMS, outlining its structure, implementation, and staff responsibilities;
 - Environmental procedures (EP)—System procedures detailing how various EMS requirements are implemented (for example, evaluating significant environmental aspects, staff training, document control, and EMS auditing);
 - Environmental instructions (EI)—Operational instructions describing how specific activities are performed to conform with EMS requirements; and

- Environmental records (ER)—Evidence that EMS procedures and instructions are functioning effectively (for example, registers of environmental aspects, applicable legal requirements, environmental objectives and targets, and EMS training records).

APPLICABILITY:

Size: large processing facility

Material: wool, mohair, alpaca, recycled

5.1.2

The organization has an EMS in place, which includes:

 Major

- a. Compliance with applicable legal requirements;
- b. Documenting, measuring, and tracking key environmental indicators (see criterion 5.1.1); and
- c. Training responsible workers in environmental issues.

INTENT AND CLARIFICATION:

- 1) A formal, written EMS procedure is not necessarily required, but irrespective of the written procedure, the processing facility is required to effectively address its environmental impacts, applicable legal requirements, and operational processes.

APPLICABILITY:

Size: small processing facility

Material: wool, mohair, alpaca, recycled

5.2. Chemical management and restrictions

5.2.1

As part of its EMS, the organization has a chemical management system (CMS) in place, which includes:

 Major

- a. A mechanism to monitor and comply with all applicable legal requirements related to chemical management;
- b. Procedures for training workers in chemical management and, where necessary, in managing the CMS;
- c. Complete information on all input suppliers, including street addresses and key contacts; and
- d. Lists of all chemical inputs used in all materials.

INTENT AND CLARIFICATION:

- 1) This is a generic chemical management criterion applicable to any site handling chemicals, regardless of whether the site uses only a few chemicals or carries out chemical-intensive processes. The level of intensity varies depending on the site; for example, a site using many chemicals requires a more focused and committed strategy than one using fewer chemicals. The terms “chemical-intensive process”, “many chemicals”, and “fewer chemicals” are not defined by Textile Exchange but are instead determined by any applicable laws that pertain to the specific industry.
- 2) It is not required that an entire position be dedicated to managing chemical use at the facility; however, someone is designated for this role, even if the responsibility is only a portion of the assigned duties.
- 3) The organization’s CMS is linked to or embedded within the overarching EMS. The EMS includes a roadmap, system procedures, operational instructions, and evidence for each specific theme requirement (in this case, the CMS).
- 4) The processing facility maintains a list of chemical inputs used in certified materials.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.2.2 Each input has a complete and up-to-date safety data sheet (SDS) available in English and in any other language(s) used by non-English-speaking workers at the facility, in accordance with the guidelines outlined in criterion 5.2.4.

Contextual

INTENT AND CLARIFICATION:

- 1) SDSs are kept up to date.
- 2) The chemical supplier is responsible for providing the English translations of the SDSs.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.2.3 For all chemicals used in certified materials, the organization has and implements a procedure to assess each chemical against the criteria outlined in theme 5.2 of the standard (chemical management and restrictions).

Major

INTENT AND CLARIFICATION:

- 1) The organization implements a robust procedure to ensure that the chemical inventory is kept up to date, which, in turn, significantly reduces the list of chemicals and minimizes unnecessary assessment fatigue.
- 2) Documentation is maintained for each input, demonstrating that the chemical conforms to the standard criteria for use in certified materials.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.2.4 For each substance or mixture used in the production of certified materials, the organization maintains current SDSs that are no more than five (5) years old and meet at least one of the following laws or norms:

Contextual

- a. ANSI Z400.1-2004,⁹ which identifies the information required to comply with the US Occupational Safety and Health Administration (OSHA) *Hazard Communication Standard*;
- b. *Regulation (EC) No 1907/2006 concerning the Registration, Evaluation, Authorisation, and Restriction of Chemicals (REACH)*,¹⁰ as adapted to incorporate the rules for SDSs under the *Globally Harmonized System of Classification and Labelling of Chemicals (GHS)*,¹¹ and the implementation of other GHS elements introduced by *Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures*,¹² or
- c. *Globally Harmonized System of Classification and Labelling of Chemicals (GHS)*.¹³

INTENT AND CLARIFICATION:

- 1) Any SDS prepared in accordance with country-specific norms that are aligned with or have implemented the GHS is considered compliant with the GHS.
- 2) The term “mixtures” refers to chemical formulations sold by chemical manufacturers that have a recognized SDS. It does not include mixtures created internally during production by the processing facility.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.2.5 Chemicals used in certified materials contain only substances that are not listed as substances of very high concern (SVHCs) in Annex XIV (Authorisation List) of REACH.¹⁴

Major

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to establish a globally applicable baseline for restricting the use of harmful chemicals in certified materials, thereby protecting human health and the environment.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.2.6 If the organization uses chemicals that contain substances listed on the Candidate List of substances of very high concern for Authorisation (Candidate List), as referred to in Article 57 of REACH,¹⁵ in its production, it complies with all applicable legal requirements. The organization verifies whether any products or articles contain these substances in a concentration above 0.1% (weight by weight). If the products exceed this threshold, the organization informs downstream users. Upon request, information is made available to any consumer within forty-five (45) days.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to establish a globally applicable baseline for restricting the use of harmful chemicals in certified materials, thereby protecting human health and the environment.
- 2) If the organization is subject to REACH, it complies with the requirements in the “Communication in the supply chain” and “Notification of substances in articles” sections, or follows the latest applicable guidance from the European Chemicals Agency (ECHA).

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.2.7 The organization implements control technologies and treatments, and retains evidence of the resulting recovery rates for chemicals, solvents, and by-products related to its production process.

Major

INTENT AND CLARIFICATION:

- 1) This criterion is applicable only to recycled synthetic fibers.
- 2) For more information on control technologies, treatments, and recovery rates, refer to the European Commission’s *Reference Document on Best Available Techniques (BREF) in the Production of Polymers*¹⁶ or the applicable ZDHC Guidelines for Fibres.¹⁷
- 3) The organization refers to the latest version of the *ZDHC Recycled Polyester Guidelines*.¹⁸ The timelines for implementation are set in the latest version of the *ZDHC Recycled Polyester Guidelines Implementation Approach*.¹⁹ Any future ZDHC guidelines pertaining to synthetic fibers are to be followed, as needed.
- 4) For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document, including any amendments, applies.
- 5) In cases where synthetic fibers are not covered by ZDHC or the EU *BREF in the Production of Polymers*, processing facilities implement closed-loop manufacturing and establish their own feasible recovery rates based on available technologies.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: recycled

5.2.8 The organization is taking action to replace hazardous chemicals with safer alternatives. It has also set targets and implemented actions to improve solvent recovery rates, which it assesses annually.

Contextual

INTENT AND CLARIFICATION:

- 1) This criterion is applicable only to recycled synthetic fibers.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: recycled

5.2.9 The organization does not use organotin compounds in the manufacturing of elastane, or lead-based pigments in the manufacturing of polypropylene.

Major

INTENT AND CLARIFICATION:

- 1) This criterion is applicable only to recycled synthetic fibers.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: recycled

5.2.10 The organization does not use elemental chlorine for bleaching pulp.

Major

INTENT AND CLARIFICATION:

- 1) This criterion is applicable only to recycled pulp production.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: recycled

5.2.11 The organization monitors best available techniques for the manufacturing of dissolved-grade pulp (also known as dissolving pulp) and implements actions to update its operational practices.

Major

INTENT AND CLARIFICATION:

- 1) This criterion is applicable only to recycled pulp production.

- 2) Refer to the European Commission's *Best Available Techniques Reference Document (BREF) for the Production of Pulp, Paper and Board*²⁰ or to the latest version of the *ZDHC Dissolved Pulp Guidelines*.²¹ In the event that neither the EU BREF for Production of Pulp, Paper and Board nor ZDHC offers clear direction regarding recycled pulp production, processing facilities establish their own feasible recovery rates based on available technologies.

- 3) For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document, including any amendments, applies.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: recycled

5.2.12 The organization meets the Foundational, Progressive, or Aspirational Level requirements for the recovery of chemicals and solvents, as set out in the "Responsible fiber production" chapter of the *ZDHC Man-Made Cellulosic Fibre (MMCF) Guidelines*.²²

Major

INTENT AND CLARIFICATION:

- 1) This criterion is applicable only to recycled MMCF.

- 2) Refer to the latest version of the *ZDHC Man-Made Cellulosic Fibre (MMCF) Guidelines*.²³ The timelines for achieving different levels are outlined in the latest version of the *ZDHC MMCF Industry Standard Implementation Approach*.²⁴

- 3) For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document, including any amendments, applies.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: recycled

5.2.13 The organization tests recycled outputs of pellets, chips, filaments, or fibrous forms for restricted substances prior to further processing, and maintains records of the test results.

 Contextual

INTENT AND CLARIFICATION:

- 1) Testing is required for Textile Exchange data collection, to improve understanding of the potential impact of restricted substances on recycling, and to support knowledge building on recycled materials.
- 2) Test parameters, limit values, test methods, sampling requirements, and frequency are determined using a risk-based approach. Recyclers may refer to any nominated restricted substances lists (RSLs) or use the *AFIRM Group RSL*,²⁵ *OEKO-TEX® Standard 100 RSL*,²⁶ *bluesign® RSL*,²⁷ among others.
- 3) Recycled wool and other animal fibers may follow the Italian Detox Consortium (CID)'s RSL for textile products made with recycled textile fibers (wool, cotton, and silk),²⁸ which provides parameters and limit values for testing.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: recycled

5.2.15 The organization does not use substances or mixtures classified with any of the hazard codes or risk phrases listed below. This list follows the codification system of the *Globally Harmonized System (GHS)*,²⁹ as published by the United Nations:

 Recommended practice H300 Fatal if swallowed

H310 Fatal in contact with skin

H330 Fatal if inhaled

H340 May cause genetic defects

H341 Suspected of causing genetic defects

H350 May cause cancer

H351 Suspected of causing cancer

H360 May damage fertility or the unborn child

H361 Suspected of damaging fertility or the unborn child

H370 Causes damage to organs

H371 May cause damage to organs

H372 Causes damage to organs through prolonged or repeated exposure

H400 Very toxic to aquatic life

H410 Very toxic to aquatic life with long-lasting effects

H411 Toxic to aquatic life with long-lasting effects

H413 May cause long-lasting harmful effects to aquatic life

H420 Harms public health and the environment by destroying ozone in the upper atmosphere

H433 Harmful to terrestrial vertebrates

INTENT AND CLARIFICATION:

- 1) The term “mixtures” refers to chemical formulations sold by chemical manufacturers that have a recognized SDS. It does not include mixtures created internally during production by the processing facility.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.2.17

The organization has a publicly available commitment to transition its operations toward using innovative processes or fibers known to have lower environmental impacts and retains evidence to demonstrate its progress.

INTENT AND CLARIFICATION:

1) "Lower environmental impact" means that the processes or fibers have one or more of the following attributes:

- Made with renewable materials;
- Made with renewable energy;
- No release of toxic chemicals;
- Reduced carbon emissions;
- Biodegradable;
- Compostable; and
- Recyclable.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.3. Waste management

5.3.1

The organization's waste management plan and procedures (see criterion 5.1.1) address the inventory, management, storage, and transportation of all waste streams, including:

- a. A record of all disposal sites;
- b. Measures to minimize health risks to workers; and
- c. Capturing and tracking baseline data and continuous improvement targets to reduce waste and improve environmental safety (see criterion 5.3.3).

INTENT AND CLARIFICATION:

1) A waste stream is the flow of waste from its source to its destination, including processes such as recovery, recycling, or final disposal. Types of waste include production-related waste, organic, chemical, hazardous, and packaging materials.

2) The waste management plan includes baseline measurements, continuous improvement targets, and records of disposal sites.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.3.2

Workers are trained in the handling and segregation of waste, in accordance with the management plan and procedures.

INTENT AND CLARIFICATION:

1) This is achieved through a robust, year-round training program that ensures workers are well-trained.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.3.3

An internal waste inspection is conducted annually to establish baseline measurements, set meaningful reduction targets, and support the development of continuous improvement goals for the waste management plan.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is for the organization to demonstrate a good faith effort to reduce waste. Publicly available targets are not required.
- 2) The organization's inspection includes an assessment of selected on-site waste disposal and recycling sites and bins. This assessment aims to evaluate the correct implementation of the waste management plan and support improvements in processes and worker training.
- 3) The baseline measurement is tailored to the scale and nature of the operation.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.3.4 Landfill or incineration avoidance targets are met within five (5) years of the date of initial certification.

Contextual

INTENT AND CLARIFICATION:

- 1) Avoidance targets are established using minimum percentage reductions by waste category and are tracked within the waste management plan.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.3.5 The organization has a reporting system in place where waste streams are described and quantified relative to the input.

Major

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to promote transparency in chemical recycling processes. Chemical manufacturers often present their technologies as solutions to plastic waste. However, when evaluating the actual yield of usable products—such as base chemicals, gases, and monomers—relative to the mass of input feedstocks, many companies significantly overstate their production capabilities.
- 2) The organization has a clear understanding of conversion ratios in relation to total system inputs. For example:
 - Process input (feedstocks or raw materials intended for conversion into products): 100 kg/hr.
 - Process output (derivatives intended for sale or further processed downstream into usable products): 75 kg/hr.
 - Process waste (products that cannot be sold or utilized by the manufacturer and are therefore sent to landfill or incineration): 25 kg/hr.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: recycled

5.3.6 The organization measures and maintains records of the amount of waste produced.

Contextual

INTENT AND CLARIFICATION:

- 1) The frequency of waste measurements is determined by the organization. While monthly measurements are recommended, it is acceptable to conduct them at different intervals, provided that a verifiable annual figure is maintained.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.3.7 Recyclers that collect and reutilize materials (i.e., by-products) from their own processing operations or from external industrial sources—where such materials do not qualify as, or are not accepted as, pre-consumer reclaimed—maintain records to verify the volumes of reutilized material, ensuring these records include:

- a. Documentation of all by-products reutilized in the recycling process;

- b. A description of each by-product, including the point of collection within the process or identification of the external industry source;
- c. For wool by-products, the mulesing status (i.e., non-mulesed, mulesed, or unknown); and
- d. Any other relevant documentation, such as transfer notes or traceability records.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to promote transparency regarding process efficiency in material production and the potential for reutilization of by-products. These practices contribute to reducing the use of virgin feedstocks and improving material efficiency.
- 2) Fulfillment of this criterion is not, in any way, linked to recycled product claims—except for materials collected as waste or by-products from the processing of 100% recycled material, which may continue to be considered recycled material. Additional exceptions include cotton lint, gin motes, blow room waste, carding waste, and draw frame waste, which are permitted as recycled input feedstocks for manmade cellulosic fibers (MMCFs)/filaments in the dissolving pulp-making process, acetate, cupro (cuprammonium rayon), rayon, viscose, and lyocell, among others.
- 3) For the purposes of this criterion, the term “by-product” is defined by the European Union (EU) *Waste Framework Directive* (WFD), Article 5(1).³⁰
- 4) Rel. 5.3.7.d. “Any other relevant documentation” includes documentation demonstrating reductions in virgin input requirements, improvements in resource efficiency, and circular business strategy targets.
- 5) Unsold consumer goods—such as apparel, clothing accessories, and footwear—that are without damage or quality issues are not covered under this criterion.
- 6) Examples of by-products include cotton lint, gin motes, blow room waste, carding waste, draw frame waste, comber noils, top/tow waste, roving waste, ring frame and winding machine soft waste, sliver waste, dyed fiber reject, and oligomer waste.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: recycled

5.3.8 All waste materials are collected, segregated, and treated in accordance with best practices for waste management, reflecting the organization’s overall commitment to resource conservation and environmental protection.

 Major

INTENT AND CLARIFICATION:

- 1) The organization demonstrates its commitment to resource conservation and environmental protection by planning for the disposal of all types of waste generated on-site and by implementing a hierarchy of waste management within its waste management plan.
- 2) The purpose is to apply the best available methods—depending on the scale and intensity of the operation—for managing waste, including handling, storage, and disposal. Each method is designed to address specific types of waste and minimize potential risks.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.3.10 The organization obtains the necessary permits and licenses, stays updated on changes to applicable legal requirements, and ensures ongoing waste management compliance. An appointed person or team is responsible for overseeing these processes.

 Major

INTENT AND CLARIFICATION:

- 1) The organization designates a dedicated person or team responsible for managing permits and licenses, ensuring they remain current.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.3.11 The organization confirms that waste contractors hold all necessary permits before entering into contractual agreements.



Major

INTENT AND CLARIFICATION:

- 1) The organization conducts a background verification prior to the appointment of any waste contractors, to confirm that they possess valid permits for waste disposal.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.3.12 The organization segregates hazardous waste from non-hazardous waste.



Major

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.3.13 There is no open-air or illegal waste burning, nor uncontrolled waste landfilling occurring on site.



Major

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.3.14 The organization routinely seeks and implements opportunities to increase material reutilization and recycling.



Recommended practice

INTENT AND CLARIFICATION:

- 1) Examples of ways to increase material reutilization and recycling include:
 - Encouraging employee engagement through education and outreach programs that promote participation in recycling initiatives;
 - Investing in technology or infrastructure improvements to make recycling more efficient and cost-effective;
 - Establishing partnerships with other recycling businesses or initiatives; and
 - Prioritizing the reutilization of materials over recycling at designated recycling sites.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.3.15 Where waste collection and recycling programs are available, the organization uses them.

Recommended practice

INTENT AND CLARIFICATION:

- 1) The organization uses waste collection services and participates in recycling initiatives when such programs are accessible and available in the area or region.
- 2) Qualifying voluntary programs include those organized by municipalities, community extension offices, or private collection schemes.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.3.16 Recycling inputs originate from textile feedstocks and are processed into outputs intended for textile applications.

Leadership

INTENT AND CLARIFICATION:

- 1) Textile applications include woven, knitted, and non-woven materials.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: recycled

5.4. Water use and discharge

5.4.1 The organization establishes targets for meaningful improvements in industrial water use and reviews its progress annually (see criterion 5.1.1.c).

Contextual

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is for the organization to demonstrate a good-faith effort to reduce water use for industrial purposes. Public disclosure of targets is not required.
- 2) Targets may vary among organizations based on their level of advancement and the extent to which improvements are realistic.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.4.2 The organization measures and maintains records of its monthly water usage.

Contextual

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.4.3 The organization monitors its compliance with applicable legal requirements related to water use.

Major

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.4.4 The organization monitors and maintains records of its compliance with applicable legal requirements related to wastewater and effluent.

 Major

INTENT AND CLARIFICATION:

- 1) For off-site effluent treatment, the common effluent treatment plant (CETP) operates legally, as evidenced by a valid permit, agreement, or contract with the certified site or another system participant, such as the local pollution control board.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.4.5 The organization's EMS includes a drainage plan implemented to manage the direction of wastewater flow and discharge points.

 Contextual

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.4.6 If the organization treats its wastewater on site, it meets the requirements of the Foundational, Progressive, and Aspirational levels for heavy metals, as outlined in the conventional parameters and anions for wastewater table in the latest version of the *ZDHC Wastewater Guidelines* (WWG),³¹ or it complies with national and local requirements where these are more stringent, before discharging to the environment.

INTENT AND CLARIFICATION:

- 1) This criterion is not applicable to processing facilities that discharge wastewater to an off-site water treatment facility.
- 2) Manufacturers of recycled polyester and MMCF follow their respective ZDHC guidelines.
- 3) The latest version of the ZDHC WWG does not currently cover effluent discharge from polymer manufacturing, dissolving pulp, and raw wool scouring. However, once ZDHC releases a version with dedicated guidance for these processes, the organization follows it.
- 4) For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.
- 5) If no ZDHC-approved laboratories are available in the region, testing is conducted by an ISO/IEC 17025-accredited laboratory whose scope of accreditation covers the required parameters. In the event of unavailability, the organization contacts Textile Exchange.
- 6) If the ZDHC WWG are not applicable to the organization's fiber and process as mentioned in point three, or if ZDHC fiber guidelines do not cover a specific fiber, the processing facility complies with applicable legal discharge requirements.
- 7) If a processing facility is not registered on the ZDHC Gateway platform, it submits a root cause analysis (RCA) and corrective action plan (CAP) to its certification body for any parameters that exceed the permitted limits specified in the WWG or ZDHC fiber guidelines, respectively. A CAP is not required for circumstances beyond the facility's control, such as when the permitted limit is exceeded due to incoming water contamination.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: recycled

5.4.8 ● Wastewater testing is conducted at least every six (6) months by qualified persons—either staff or external service providers—using equipment as specified by ZDHC-approved wastewater testing laboratories.

Major

INTENT AND CLARIFICATION:

- 1) This criterion is applicable only to organizations with an on-site treatment facility.
- 2) The organization maintains records of training and equipment used.
- 3) See also criteria 5.4.6 and 5.4.7.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.4.9 ○ If the organization treats its wastewater off-site, it ensures that the treatment facility is designed to process the volume of wastewater received.

Contextual

INTENT AND CLARIFICATION:

- 1) Contractual agreements between the organization and off-site treatment facilities stipulate the agreed volume of wastewater to be sent to the facility for treatment (daily, weekly, or otherwise), based on the facility's treatment capacity.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.4.10 ● Sludge from the on-site water treatment system or off-site facility is treated and disposed of in accordance with applicable legal requirements.

Major

INTENT AND CLARIFICATION:

- 1) For an organization with on-site treatment: The organization provides a copy of the valid contract with the sludge disposal contractor.
- 2) For an organization with off-site treatment: Sludge generated by the CETP complies with applicable legal requirements.
- 3) The organization may follow the *ZDHC Sludge Reference Document*³² in addition to applicable legal requirements.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.4.12 ★ Reverse osmosis treatment is applied to wastewater before it is either discharged from the processing facility or reused internally.

Leadership

INTENT AND CLARIFICATION:

- 1) Reverse osmosis is an advanced wastewater treatment method that enables reuse in industrial processes and, in some cases, even for human consumption. However, its implementation typically requires a significant investment. This leadership criterion is designed to recognize and encourage organizations that are willing to invest in such forward-thinking technologies.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.4.14 The processing facility is designed to reuse water prior to discharge, thereby reducing the organization's overall water consumption.

 Leadership

INTENT AND CLARIFICATION:

- 1) The organization has an advanced water treatment system in place, allowing the treated water to be reused in the process instead of being discharged into the environment, achieving zero liquid discharge (ZLD).

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.5. Air emissions

5.5.1 The organization regularly measures air pollutants and greenhouse gases (GHGs) generated by its processing facility and maintains corresponding monitoring records.

 Major

INTENT AND CLARIFICATION:

- 1) A small processing facility is not required to prepare a written plan.
- 2) For a large processing facility, the organization has a documented plan that outlines the approach for monitoring and measuring air pollutants and GHG emissions, including the specific pollutants being tracked. The plan describes the methods used for monitoring and measurement, the timeframes for these activities, and the scope of operations covered.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.5.2 The organization establishes targets for the meaningful reduction of air emissions and conducts annual reviews of its progress.

 Contextual

INTENT AND CLARIFICATION:

- 1) The organization has a documented strategy that demonstrates the actions being taken to reduce air pollutants and GHG emissions.
- 2) "Air emissions" include both air pollutants and GHGs.
- 3) Targets for reducing air emissions follow the SMART criteria: specific, measurable, achievable, relevant, and time-bound.
- 4) The organization documents its annual progress toward meeting these targets.
- 5) Targets vary across organizations depending on their level of advancement and the extent to which improvements are realistic.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.5.3 The organization complies with applicable legal requirements and maintains up-to-date permits related to air emissions.

 Major

INTENT AND CLARIFICATION:

- 1) The organization maintains documentation that demonstrates compliance with applicable legal requirements.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.5.4 The organization maintains an inventory of its point source air emissions.

 Major

INTENT AND CLARIFICATION:

- 1) Point source air emissions typically include stack emissions, exhaust from energy generators and machinery, and emissions from vents, among other types of sources.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.5.5 The organization regularly assesses the potential for fugitive emissions and takes action, as necessary, to reduce or eliminate them.

 Contextual

INTENT AND CLARIFICATION:

- 1) Ambient air testing is used as an indicator of ambient air quality and to assess whether fugitive emissions are being controlled.
- 2) Fugitive emissions source: According to the Higg Facility Environmental Module (FEM),³³ fugitive emission sources are those that are passively released into the outdoor environment and are not actively directed through a single exhaust point (for example, stack or vent).

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.5.6 If the organization has equipment containing ozone-depleting substances (ODS)³⁴ or other potential air pollutants, that equipment undergoes regular maintenance to prevent and detect fugitive emissions.

 Contextual

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.6. Energy use

5.6.1 The organization tracks and maintains monthly records of its energy use to improve energy efficiency and gradually reduce reliance on fossil fuel-based energy sources.

 Major

INTENT AND CLARIFICATION:

- 1) Energy inputs monitored at the processing facility level include fuel use for machinery, electricity consumption (kWh) on-site, and non-electrical energy use (for example, gas for heating).

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.6.2 The organization complies with applicable legal requirements related to energy use and maintains records to demonstrate legal compliance.

 Major

INTENT AND CLARIFICATION:

- 1) The organization regularly reviews applicable laws related to energy use to ensure compliance with legal requirements. This includes laws related to energy efficiency, emissions, renewable energy, and other energy-related matters.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.6.3 The organization sets targets for meaningful improvements in energy use, including an overall reduction of energy use and transition to renewable energy, and reviews its progress annually.

 Contextual

INTENT AND CLARIFICATION:

- 1) Targets vary across organizations depending on their level of advancement and the extent to which improvements are realistic.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.6.4 The organization uses renewable energy—produced on site or procured locally—for some or all of its energy needs.

 Recommended practice

INTENT AND CLARIFICATION:

- 1) The use of renewable energy (for example, biofuels, biogas, solar, or wind energy) is recorded in the energy management plan and quantified as a percentage of total energy consumption.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.6.5 The organization is transitioning to energy-efficient equipment by replacing old, inefficient systems to reduce energy use.

 Recommended practice

APPLICABILITY:

Size: small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

5.6.6 The organization has a publicly available commitment to adopt renewable energy as its primary energy source within an established timeline of no more than ten (10) years.

★
Leadership

INTENT AND CLARIFICATION:

1) “Renewable energy” includes sources such as solar, wind, hydro (water), biogas, geothermal, and other non-fossil fuel sources.

APPLICABILITY:

Size: Small processing facility, large processing facility

Material: wool, mohair, alpaca, recycled

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⁷ European Parliament and the Council of the European Union. (2008). *Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives*. <https://eur-lex.europa.eu/eli/dir/2008/98/oi/eng>

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⁹ American National Standards Institute (ANSI). (2004). *ANSI Z400.1-2004 American National Standard for Hazardous Industrial Chemicals – Material Safety Data Sheets – Preparation*. https://webstore.ansi.org/preview-pages/ACC/preview_ANSI+Z400.1-2004.pdf?srsltid=AfmBOorOW6SnDHe6_WIFd7tgZb-wpOyMibV4iGSRov-LusHCorljA3m

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¹¹ See endnote 4.

¹² European Parliament and the Council of the European Union. (2008). *Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006*. <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:353:0001:1355:en:PDF>

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¹⁴ European Chemicals Agency (ECHA). ECHA Chemicals Database (ECHA CHEM). List of substances included in Annex XIV of REACH (“Authorisation List”). <https://chem.echa.europa.eu/obligation-lists/authorisationList>

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¹⁶ European Bureau for Research on Industrial Transformation and Emissions. (2007). *Reference Document on Best Available Techniques in the Production of Polymers*. <https://bureau-industrial-transformation.jrc.ec.europa.eu/reference/production-polymers>

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²⁸ Italian Detox Consortium. (2022). *RSL (Restricted Substances List) nei Prodotti Tessili in Fibre Tessili Riciclate (Lana, Cotone e Seta)*. (RSL for textile products made with recycled textile fibers (wool, cotton, and silk).

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³¹ See endnote 3.

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Principle 6: Chain of custody

Principle 6 requires organizations to demonstrate a verifiable chain of custody for tracking and handling certified materials. This is achieved by identifying and segregating these materials and maintaining all necessary records, including those used to establish initial volumes of certified materials originating from production systems (i.e., raw material production).

These requirements are addressed through the following themes: material handling (theme 6.1), volume reconciliation (theme 6.2), sale of certified materials (theme 6.3), and, when applicable, the optional logo use and claims (theme 6.4).

6.1. Material handling

6.1.6 The organization verifies that all suppliers of reclaimed material are legally authorized to operate for the applicable function and maintain valid records of this authorization. This includes material collectors and material concentrators who choose optional, independent certification.

Contextual

INTENT AND CLARIFICATION:

- 1) The material recycler maintains a list of all sources of reclaimed material and verifies that each entity involved in material collection and concentration has legal authorization to operate.
- 2) The reference to “all suppliers of reclaimed material” does not include persons collecting material on their own.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: recycled

6.1.7 The organization maintains a valid agreement with each supplier of reclaimed material, including all entities involved in material collection and concentration. The template *TE-MM-TEM-106 Reclaimed Material Supplier Agreement* is used for this purpose.

Contextual

INTENT AND CLARIFICATION:

- 1) If material concentrators choose to be certified under the standard, they hold valid reclaimed material supplier agreements with the collectors of reclaimed material.
- 2) If material collectors choose to be certified under the standard, this criterion does not apply.
- 3) If material collectors or concentrators are government entities (for example, municipalities) or operate solely through donations, this criterion does not apply.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: recycled

6.1.8 The organization inspects each incoming shipment of reclaimed material to confirm that:

Major

- a. It is not virgin material; and
- b. The material has been correctly identified as pre- or post-consumer.

Moreover, the organization maintains records of its inspections for each incoming shipment.

INTENT AND CLARIFICATION:

- 1) Staff responsible for receiving reclaimed materials need to receive specific training to identify any material that is or is likely to be virgin material.
- 2) If virgin material is identified or incorrectly labeled as pre- or post-consumer, enhanced control measures are applied to all incoming products from the supplier involved. Additionally, both the supplier and the certification body are notified.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: recycled

6.2. Volume reconciliation

6.2.2 The organization maintains records of the following:



Contextual

- a. Volume of material produced or collected;
- b. Volume of material sold as certified under each applicable scope certificate;
- c. Volume of material sold as non-certified under each applicable scope certificate; and
- d. Volume of material (certified and non-certified) in stock.

INTENT AND CLARIFICATION:

- 1) For a farm group, this refers to the aggregated volume produced and sold by the group.

APPLICABILITY:

Size: all

Material: all

6.2.3 The organization conducts an annual volume reconciliation and maintains corresponding records (see criterion 6.2.2) to demonstrate that the volume of material sold as certified is credible, based on the balance of materials produced, sold (with or without certification claims), and any existing inventory.



Contextual

INTENT AND CLARIFICATION:

- 1) The objective of volume reconciliation is to ensure that the certified output volume is credible based on the farm's capacity.
- 2) For a farm group (including small-scale farmer groups), volume reconciliation may be conducted by the group manager rather than by each individual group member.

APPLICABILITY:

Size: all

Material: all

6.2.4 The organization collects and retains completed reclaimed material declaration forms from all its suppliers of reclaimed material inputs. These forms are collected at least monthly if there has been any purchase of reclaimed material from the supplier during the month, or if the source of the reclaimed material changes. This includes material collectors and material concentrators if they choose optional, independent certification.



Major

If a material collector is certified but a material concentrator is not, the recycler collects and retains a new reclaimed material declaration form from the concentrator for all reclaimed material inputs.

The template *TE-MM-TEM-105 Reclaimed Material Declaration Form* is used to collect information from suppliers.

INTENT AND CLARIFICATION:

- 1) For detailed guidance on who, when, and how to fill out the form, please refer to the "Introduction & Instructions" tab of the *TE-MM-TEM-105 Reclaimed Material Declaration Form*.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: Recycled

6.2.5 If the organization collects reclaimed material from its own processing, a record is maintained to verify the volume of recycling, including:

Contextual

- a. All materials that have entered the recycling process;
- b. A description of each reclaimed material input and the stage at which that material was collected;
- c. Reclaimed material declaration forms (see criterion 6.2.4); and
- d. Any other transfer notes.

INTENT AND CLARIFICATION:

- 1) The intent of this criterion is to support traceability by documenting the flow and origin of reclaimed inputs, thereby enabling verification of recycled content claims. It helps mitigate the risk of over-reporting and ensures that only eligible materials are counted toward certified volumes, reinforcing the integrity of the chain of custody system.

APPLICABILITY:

Size: small processing facility, large processing facility

Material: recycled

6.3. Sale of certified materials

6.3.1 The organization's scope certificate is valid at the time the material is shipped or sold bearing Materials Matter certification claims.

Major

INTENT AND CLARIFICATION:

- 1) The seller organization is always required to hold a valid scope certificate in order to sell materials as certified.
- 2) Any material that is processed, shipped, or sold by an applicant organization before a scope certificate is issued, or by a certified organization after its scope certificate expires, is not considered certified. Such material is not eligible for a transaction certificate.

APPLICABILITY:

Size: all

Material: all

6.3.4 When the organization sells material with a certification claim to another Materials Matter certified buyer, it applies for a transaction certificate or an eTransaction from its certification body, in accordance with the current version of the *TE-TXL-POL-203 Policy for Scope and Transaction Certificates*.

INTENT AND CLARIFICATION:

- 1) If the organization sells materials from a certified source but does not intend to make certification claims to its buyer, there is no requirement to request a transaction certificate for that shipment. However, in such cases, the buyer is not authorized to make certification claims on those materials, even if the buyer holds a scope certificate.
- 2) For a farm group (including small-scale farmer groups), the group manager requests transaction certificates from its certification body for each sale of certified material on behalf of its group members.
- 3) A farm group member may also request transaction certificates directly from the certification body, provided that prior notice has been given to the group manager and permission has been granted.
- 4) For material recycling, this includes material collectors and material concentrators if they choose to be certified under the standard.

APPLICABILITY:

Size: all

Material: all

6.3.5
Contextual

The transaction certificate application or eTransaction submission includes documented proof of the sale of certified material. The organization provides the information requested by the certification body, including, but not limited to:

- a. Invoices, purchase orders, financial records, third-party material quality test reports, and transport documents that show the outgoing material has been sold to the named buyer; and
- b. Details of the identity, quality, and quantities of the certified material.

INTENT AND CLARIFICATION:

- 1) It is important to apply for a transaction certificate or submit an eTransaction as soon as possible after the order is dispatched. For exact transaction certificate or eTransaction timelines, please refer to the current version of the *TE-TXL-POL-203 Policy for Scope and Transaction Certificates*.

APPLICABILITY:

Size: all

Material: all

6.4. Logo use and claims

6.4.1
Major

Materials Matter trademarks and claims are used in compliance with the *TE-MM-POL-301 Materials Matter Claims and Labeling Policy*.

INTENT AND CLARIFICATION:

- 1) The Materials Matter trademarks include the Materials Matter name, the Materials Matter logo, and the Materials Matter Certified label.

APPLICABILITY:

Size: all

Material: all

6.4.2
Major

The organization obtains approval prior to using any of the Materials Matter trademarks and claims, in compliance with the *TE-MM-POL-301 Materials Matter Claims and Labeling Policy*.

INTENT AND CLARIFICATION:

- 1) The Materials Matter trademarks include the Materials Matter name, the Materials Matter logo, and the Materials Matter Certified label.

APPLICABILITY:

Size: all

Material: all