



# Responsible Down Standard International Working Group

## Audit Methodology

June 7, 2018

# Agenda

1. Introductions, Announcements, and Housekeeping
2. Updates
3. Review of Small Farm Groups Module

# Anti-Trust Guidelines

- Do not agree or discuss how each of the Participants will price their own goods or related products;
- Do not agree to allocate certain geographic markets (i.e., territories) or product markets (i.e., types of products) among each other;
- Do not discuss or agree to the cost or method of pricing products manufactured or sold by each other or otherwise direct each other's business activities that are outside the scope of the IWG;
- Do not not compare cost information that is confidential, such as labor cost, manufacturing costs or other variables affecting pricing;
- Do not agree among yourselves to not do business with certain vendors (potential "boycott") or otherwise pressure other competitors or vendors to comply with certain pricing or cost policies;
- The IWG should not share with each other or discuss confidential, competitive information for individual Participants or any information that might affect the Participants' own day to day business decisions related to cost, price or output of their own products. For example, this confidential competitive information may include: price lists or pricing plans, volume, rebate or refund programs, discount policies, credit policies, advertising credits or program allowances, slotting allowances, product cost variables or profit margins, customer lists or specific complaints, supplier contract terms, current or future marketing plans, bidding plans, purchasing plans, planning strategies, capital improvement plans, terms of sale or other contract terms, or competition in the sale or manufacture of competing products;
- The IWG should not facilitate agreements or coordination among Participants for the prices they charge for the products they manufacture or sell or other collusive conduct, including market allocation or refusals to deal with suppliers or customers, or organize boycotts against other manufacturers or retailers; and
- The IWG should not publish or share any information that would be suggestive or conclusory as to how any individual Participant should deal with individual contracting or other third party issues
- Participants may discuss or share non-confidential, publicly available information or data

# Chatham House Rules

When a meeting, or part thereof, is held under the **Chatham House Rule**, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed.

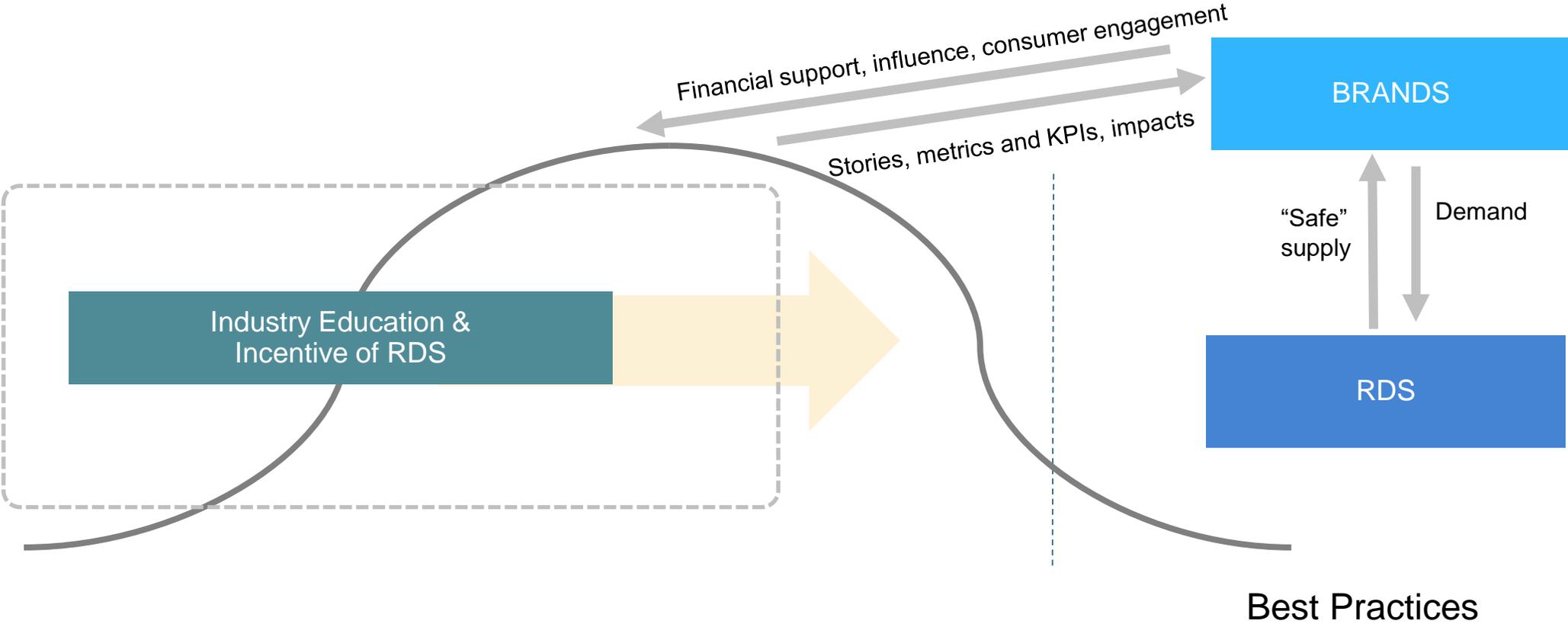
# Member Agreement

1. Agrees to contribute a reasonable commitment of time and expertise to participate in the Responsible Down Standard IWG.
2. Agrees to act respectfully to other Members of the IWG, and commit to honest and polite discourse.
3. Agrees that in order to maintain a level of trust and continuity, that all meetings and discussions of The RDS IWG and/or its Members remain strictly confidential and will treat any information that is shared within the RDS IWG as confidential in accordance with the Chatham House Rule (appendix A).
4. Agrees to comply with all applicable antitrust and anti-competitive laws, including, without limitation:
  - a. Agrees that none of the information shared during or as part of IWG meetings may be used to cause competitive injury or disadvantage to another Member, participant, Textile Exchange or the RDS; and
  - b. Agrees to abstain from any conversations or activities that may restrict competition or set prices).
5. Refrains from using any information obtained through the RDS IWG other than to advance the objectives of the IWG and in no event to disparage Members, their products, practices, businesses or their reputations.
6. Commits to promote the RDS as a meaningful tool to address animal welfare in the down industry.
7. Works openly and collaboratively to meet the objectives of the RDS and the IWG, sharing best practices and lessons learned.

**UPDATES**

# **THEORY OF CHANGE**

# Theory of Change



# **AUDITS TO THE RDS**

# Definitions

## *Announced audit*

The site is contacted in advance to set a date for the on-site audit.

## *Semi-announced audits*

Audits with up to 72 hour notice, to be sure that the facility is open and the correct people are available for the on-site audit.

## *Unannounced audits*

The auditor gives a maximum of 2 months window within which the on-site audit will happen, and they arrive without any additional announcement. At the beginning of the certification year the Certification Body will advise the farmer of the window of time during which an on-site audit will happen, and that they are responsible to be present and have the required documents on hand during that time.

## *Confirmation visit*

Less than 1 hour notification; visual check for animal welfare compliance only. Confirmation visits are to be done in addition to full audits.

# Audit Details

- All first audits are announced for the first year of certification.
- Subsequent years' certification: no more than half of farms shall have announced audits, remaining shall be semi-announced (maximum 72 hour notice) or unannounced on-site audits (2 month window)
  - Minimum (*additional*) 5% confirmation visits on all farms; at least 10% confirmation visits of high-risk farms. (Visual inspections)
- All audits will count as full audits and, as applicable, will involve management and worker interviews, document reviews, and visual checks.

# Risk Criteria

- Results from previous audits
- Any third party information
- Parent farms
- Timing of the last audit
- Large size (greater amount of down that will be impacted)
- Regional practices (eg: force-feeding or live-plucking)
- Typical seasonal timing of live-plucking and/or force-feeding
- Age at slaughter
- Prior approval to other animal welfare standards
- Local legislation
- Volume of down sold from a region
- Type of bird
- Decrease to price of the meat or increase to the price of down (which could create incentive to live pluck)

# **CONTRACT FARM GROUP CERTIFICATION**

# What is a contract farm?

## *Contracted Farms*

Farms that are raising waterfowl on behalf of a separate company or individual (the contracting company, e.g. a trader, slaughterhouse, or master farm). In order to qualify as contract farming, the following must be true:

- The contracting company shall provide all inputs: eggs or hatchlings, food, medication, veterinary care, logistics
- There is an agreement that the contracting company will buy the birds from the contracted farm, and that the contracted farm will sell the birds to the contracting company.

# Contract Farm Group Certification

- Individual group members may not use the certification independently
- An Internal Control System (ICS) shall be created to ensure compliance to the RDS by all Contracted Farms within the group
- All Contracted Farms are subject to the farm and transport modules of the RDS, if applicable.
- ICS is audited by the CB
- Sample of farms are audited by the CB

# Internal Control System

- All Contracted Farms are subject to the farm and transport modules of the RDS, if applicable.
- The ICS shall meet the guidelines listed below:
  - A documented management structure of the ICS
  - Documentation of annual inspections of all group members, with the specific purpose of checking compliance with the requirements of the RDS
  - Signed membership agreements with each Contracted Farm, specifying rights and obligations of group members to comply with the standard and permit inspections by the ICS inspectors as well as audits by the Certification Body
  - All Contract Farm Group members shall have access to a copy of the RDS or the relevant sections of standard
  - All Contract Farm Group members shall understand the relevant requirements of the standard and be aware of consequences of non-compliance and sanctions
- Manager in place
- Membership agreements in place, how to accept new members
- Internal inspection protocol
- Proper record keeping

# Contract Farm Group Audits

- Yearly on-site audit of the ICS, including risk assessment
- Risk level determines the number of farms audit
- Farms chosen for on-site audit, randomly and according to risk

Number of group members	Standard risk factor	High risk factor(x 2)
<100	10	20
>100	Square root of number of group members	2x square root of number of group members

# Risk Criteria – Contract Farm Groups

- Common practices in the region
- Results from previous audits in the area (if any)
- Third party information (if available)
- Proximity to areas where force feeding or live plucking are happening
- Level of legal enforcement
- Volume of down sold from a region
- Size of the area in question
- Timing of the last audit
- Large size (greater amount of down that will be impacted)
- Regional practices (e.g. force-feeding or live-plucking)
- Typical seasonal timing of live-plucking and/or force feeding
- Age at slaughter
- Prior approval to other animal welfare standards
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- Volume of down sold from a region
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# Reminders

- Have you signed the RDS IWG Charter?
- Do we have your permission to be publically listed?
- Any other questions or feedback:  
[ResponsibleDown@TextileExchange.org](mailto:ResponsibleDown@TextileExchange.org)

**THANK YOU!**