



Responsible Down Standard IWG Meeting

Dec 11, 2014

Agenda

1. Introductions, new members
2. Housekeeping
3. Updates - review
4. Unannounced Visits - review
5. Slaughter module - review
6. Transport module - review
7. Parent farm module - discussion

1. Introductions

New members:

- Joel Martens, MEC
- Valerie Presolly, MEC

2. Housekeeping

- Chatham House Rules
- Feedback on the process, send to ashley@textileexchange.org
- Meeting notes can be found at:
<http://www.textileexchange.org/RDS/IWG>

3. Updates

- New: 4 Paws is working on their Cruelty Free Down Challenge
 - There are key links between strong traceability, strong safeguards, and addressing animal welfare. Brands are arranged on a mountain, and are placed based on their traceability. The challenge does not communicate the strengths of the standards behind the brands performance. There has already been a soft launch, with a strong launch early next year. We will be looking at the metrics, and we are open to hearing feedback from you. We are hoping that once the standard is final, the challenge will be updated accordingly. The robustness of the standard is very strong, and we have heard feedback from brands that it is already quite advanced among suppliers.
 - Down.four-paws.org
- RDS becomes an inspiration for others! See below:

Dec 9th e-mail:

This is just a courtesy email regarding the RDS layout.

I have been writing our Chemical Management Standards (CMS) for the last few months and struggling to find a suitable, easy to follow layout. I then read through your extremely well put together RDS and was very impressed with the layout you used i.e. the table format with Requirement / Guidance / Level. Very simple and easy to reference.

I wondered if you would mind if I used a similar format for our CMS – obviously the content of my document is going to be completely different, just the table format will be similar.

I've given an example below....

1.1. Commitment from Senior Management Team

No.	REQUIREMENT	GUIDANCE	LEVEL
1.1.1.	Commitment from the company to implement fully integrated Chemical Management Standards throughout the entire company in order to reduce the emissions of hazardous substances to the environment and to protect the workers	Senior Management must; - ensure that all workers are made aware of this commitment - ensure that key people within the company are allocated to carry out the start up and on going maintenance of fully integrated Chemical Management Standards	RECOMMENDED

I am hoping that you will view this in the true 'Ann of Green Gables' sense as flattery rather than plagiarism

- New logo: RDS Certified. Ashley is working on the updated labeling guide.



- New estimate is that RDS is touching over **100 million** birds!

From last meeting

- There have been 2 articles in consumer journals (CH and DE) – have taken pictures from Poland Nov 2014 of live plucking (from old leader of 4-Paws) – apparently he is still saying that the standards are not sufficient – Pamela will send us an overview when she gets them ** Everyone needs to be clear that 4-Paws is no longer connected in any way with their former leader's new group
- 4-Paws is not commenting on gaps in the standards

- Anne has presented on TE's chain of custody standards (including the RDS) on the UN Global Compact Traceability Webinar
- Anne did a full presentation on the RDS and RWS to the Sustainable Furnishings Council
- We now have 66 companies engaging with the RDS: fully contracted (15), in the contracting process (5), actively interested (7) or have contacted us about how to move forward (39) - these represent down suppliers and brands.
- We have a new tool called "Why RDS" that will be available for download on our website: textileexchange.org/RDS. It helps to explain the value of the RDS, based on the new revision to date.
Please feel free to use for your own purposes or share with others. All comments are welcome
- RDS outfits will be profiled in a fashion show at Ethical Fashion Week, January 19-21 in Berlin. There will be an information panel about the RDS as well.
- We are currently making travel and outreach plans for 2015; identifying tradeshow, meetings and events that we can attend in order to promote the RDS as well as our other standards.
Please give any suggestions of events or groups that we should contact
- TNF has conducted trainings with their manufacturing sites, audits will be done by mid-December, and in the process of setting up audits for the DC's.

4. Unannounced Visits

See below.

5. Slaughter Modules

See separate document, RDS Amendments.

Please send any comments.

6. Transport Module

See separate document, RDS Amendments.

Please send any comments, particularly on the minimum space requirements (T4, page 22).

7. Parent Farms

See separate document, Parent Farms – proposal.docx

Parent Farms Discussion

The pro

In China, the practice of trading eggs is very frequent, and this would make it very difficult to track the eggs from the parent farm to the animal where the down is coming from.

Hatcheries deal with different species, sometimes even chickens.

We wouldn't be concerned in the case of different species, we would not consider that to be parallel production.

Our concern is that the parent farms are audited. If not all the farms are certified, that's fine. If as many parents farms are audited as possible, then this is what we expect. We want to see that a certain number of farms are audited, perhaps 50% + 1.

What will be the consequences if we do find live-plucking?

- If a farm is found to be practicing force-feeding or live-plucking, they could be excluded for the next season.
- The only way those consequences can apply is if you have traceability between the parent farm, the hatchery, and the raising farm.

Investigative Evaluation of parent farms in supply chains of high concern

We will use the reach of the RDS to do an evaluation to measure the feasibility of establishing chain of custody between parent farms to hatcheries to raising farms. We will take advantage of the access into the supply chain that auditors have to better understand the challenges and to evaluate if effective solutions can be created.

The proposal is:

- For each CB, for each region (Europe and Asia), 10% of the industrial raising farms will be investigated for chain-of-custody to the parent farm level
- The 10% must be applied on a random basis; something which accreditation bodies will audit the CB for
- This will require that hatcheries will have to inspected for chain-of-custody as well
- This will be incorporated into the auditing process for the next year
- Add another revision of the standard after a year to take the learnings into account more fully.

Why is the traceability from the parent farm necessary to do an audit of the parent farm?

- We would get a list of the pool of parent farms from the hatchery, or all those linked from the slaughterhouse. You would need to talk to the hatchery about where eggs are coming from.
- It did make sense to set up a pool of qualified parent farms. Only certain parents farms would qualify.
- If a parent farm was found to be non-compliant, then it would be very difficult to decide how to cut off that input from the RDS certified supply chain.
- If we figure out that a farm that is live plucking is actually excluded from the supply chain. If we could begin to require invoices from the hatcheries, based on which parent farms they are sourcing from. This could fall under the “investigative evaluation”.

How could we qualify those parent farms without the chain of custody? (This is primarily an issue in China).

- The parent farms and slaughterhouse have a very strong connection. It would not always work to require a slaughterhouse that “owns” a parent farm to begin buying eggs from a different parent farm.
- In Europe, it’s a 1:1 relationship. Parent farms tend to stay tied with the same grow up farms. In China, because it’s smaller scale, those relationships are more sporadic.

There are some supply chains that can be known, and should be investigated. Starting parent farm audits in those supply chains where it was possible, this would work very well. In other supply chains, investigations are taking place so that future audits can take place.

- How do we fairly apply the cost of this across all supply chains?

Suggestion:

- 10% investigation into “impossible ones”
- 10% certifications of supply chains with known parent farms
- Distribute the percentage across an entire CB, so that it isn’t lumped onto one company.
- The percentages may be low, since this is an area of high risk.

UNANNOUNCED FARM VISITS - REVISED PROPOSAL

Definitions

Announced inspections – the site is contacted in advance to set a date for the inspection.

Semi-announced inspections - allow for up to 48 or 72 hours notice, to be sure that the facility is open and the correct people are available for the audit. This is consistent with the TE and GOTS standards.

Unannounced inspections - the auditor gives a 3-5 week window within which the audit will happen, and they arrive without any additional announcement. At the beginning of the certification year, the CB will advise the farmer of the window of time during which an inspection will happen, and that they are responsible to be present and have the required documents on hand.

Surprise inspections – zero notification: the auditor appears at the site without any advance notice.

Small Group Farms

All visits for Small Group Farms are surprise visits.

Industrial Farms

All first visits for industrial farms are announced (in order to establish a relationship between the farmer and certification body, and to build good will towards the RDS).

For subsequent visits:

- a. 67% announced full inspections
- b. at least 33% semi-announced or unannounced inspections (6-8 week¹ window)
- c. at least 10% surprise visits

a. and b. will count as full inspections, and will involve management and worker interviews, as well as document reviews and full physical inspection

¹ all parent farms will have an 8-week window for unannounced

c. are at minimum visual inspections. Any critical or major non-compliances that are found will be dealt with in accordance to the RDS. Note that the surprise visits can be applied to both a. and b.

The percentages apply annually per certification body, and will be applied on a risk + random basis.

The CB will be responsible for managing the procedure to ensure the percentages are met across all of their inspections. The accreditation body will check that they are reaching these percentages. They will also look into how the decision is made about which sites are inspected.

Note that in all cases, it will be important that there is accurate reporting on timing of farm operations, so that audits can be planned at the times of highest risk. This information can be collected from the initial audits, as well as from the slaughterhouses.

Risk Criteria

All semi-announced and unannounced visits will be determined based on the following risk factors:

- results from previous audits
- any third party information
- parent farms
- if there has just been an unannounced audit (they feel they will be safe in the next year)
- large size (greater amount of down that will be impacted)
- known regional practices (eg: force-feeding or live-plucking)
- typical seasonal timing of live-plucking and/or force feeding
- ** Matt can send us a more detailed checklist **

INDUSTRY INSPECTION PROTOCOLS

- √ **IFS:** The IFS Food Check is carried out without notice and without preparation time on the part of the company and takes a maximum of one audit day.

<http://www.ifs-certification.com/index.php/en/ifs-certified-companies-en/ifs-food-checks-en>

- √ **BRC:** The protocol for the BRC Standard identifies three different audit options:

- an announced audit - where the company and the Certification Body agree the date for the audit
- an **unannounced audit** option 1 – the full audit is conducted unannounced i.e. the company will not be notified of the date of the audit, which **can take place anywhere between three and twelve months after the initial audit date**
- an unannounced audit option 2 – the audit will be split into two sections. An unannounced audit will cover GMP and production areas. This will be followed by an announced audit of the systems and documentation ie the company will agree the date for the documentation audit with their Certification Body but will not know the date for the audit of their GMP and production areas. This option is designed for sites who would like to enter the unannounced scheme but wish to avoid having the documentation audit on a day when key staff are absent.

<http://www.brcglobalstandards.com/Portals/0/Uploads/F056%20-%20BRC%20unannounced%20audits%20-%20web%20site%20note.pdf>

BRC has two unannounced options, which both consist of an announced and an unannounced part. **Important in that is that the unannounced bit is really unannounced, no indication of the audit happening beforehand.** Even more so, the client is not allowed to refuse entrance, the auditor must be able to be on the production site within half an hour after arrival. That implies two things: 1 **the unannounced audit relates to the production site mainly, not to office and management; after all you want certain people to be present and available for that, so that must be announced.** And 2 to avoid the auditor showing up on really undesirable moments, the client has in one of these two options the possibility to block a maximum of 10 days in a year where an audit is not possible. For exact details see the BRC Food Safety version 6 standard.

- √ **Globalgap:** **Unannounced means 48 hours notice;** 10% of the producers of a CB have to have an additional unannounced on top of the announced annual audit.
- √ **Textile Exchange:** **Unannounced means 48 hours notice;** 10% of the sites of a CB have to have an additional unannounced on top of the announced annual audit.
- √ **GMP:** GMP+ used to have what they called **unannounced, where you did indeed announce the audit 24 to 48 hours in advance.**

BACKGROUND: FEEDBACK FROM MEETING AND E-MAILS

After a very engaging discussion in Portland, we want to work on an auditing policy for farms that will represent a strong standard while meeting the realities of the industry.

Our proposal is:

- All first visits are announced (in order to establish a relationship between the farmer and certification body, and to build good will towards the RDS)
- For subsequent visits:
 - o 70% announced inspections
 - o 30% semi-announced inspections (less than 48 hours notice)
 - o 10% unannounced visual inspections (fence visits)
 - The fence visits allow the inspector to observe most major infractions of the farm.

How do we manage the percentages?

The CB would be responsible for managing the procedure to ensure the percentages are met. The accreditation body will check that they are reaching these percentages. They will also look into how the decision is made about which sites are inspected.

- Will send this in to Four Paws and the Humane Society to collect any comments they may have.

All semi-announced and unannounced visits will be determined based on the following risk factors:

- o results from previous audits
- o any third party information
- o parent farms
- o if there has just been an unannounced audit (they feel they will be safe in the next year)
- o large size (greater amount of down that will be impacted)
- o known regional practices (eg: force-feeding or live-plucking)
- o Typical seasonal timing of live-plucking and/or force feeding
- o Any others?

On the semi-announced inspections, how did we arrive at the timing of less than 48 hour notice? This gives us the issue of farmers not being available.

- The industry practice is that unannounced visits are given 48 hour notice. We are now calling that semi-announced.
- A four week window is much more disruptive than a 48 hour window.
- In accordance to the discussion in Portland, this time frame came from the experience of the auditors. There was a caveat for audits in China. It is already nearly 50/50 (using the 48 hour notice definition), a lot of visits are scheduled quite last minute.

- Even for announced visits, they should not be scheduled far, far in advance.
- This is outside of any normal audit practice; we should be quite clear. The typical purpose of semi-announced is to not give the site an exact time when the auditor would arrive, and thus increasing the time of potential “disruption”.
 - o It is in effect announced, just a short announcement period.
- Call the additional 10% surprise visits.
- What is the point of the semi-announced visits?
 - o Giving a four week window is much harder to prepare.
- Would a surprise visit where you don’t have access to a full site, would that count as a full audit?
 - o No, the site would have already had a full audit, announced or semi-announced.
 - o This could be a considerable additional cost for the CB. It would be good to get feedback from down suppliers to hear what they think.

- Announced, semi-announced, unannounced
- Use the same terms to mean the same thing as is used with the rest of the industry.
- If we want this to be broadly, we need to use known terms.
- Talk to someone at the global bodies, which are doing a wide range of different types of audits. Provide a structure of audit methodology.
- Announced & semi-announced are used for certification; unannounced is an additional level of verification
- **Questions to ask:**
 - o How much notice should be given?
 - o Semi-announced – typically gives a 4-6 week window of when the audit will happen, the factories are far less likely to try and cover up for that audit.
 - If we seriously think “switching birds” is really happening, then 48 hour notice is going to be sufficient to cover that up.
 - o What is this giving us over the announced audits?
 - o Start with an audit strategy a bit more separated from the issues, and then once we have a strong methodology, go back and make sure that all the issues are addressed.
 - o This will build credibility and uptake in the standard. Work with definitions that everyone understands.
- SGS, BV, ITS (Intertek)
-

Feedback from Control Union:

For China:

All first visits are announced:

- An absolute must! I would like to propose that we start with unannounced visit in 2016. Currently we are not discussing with the farmers or certificate holders the possibility of

unannounced audits. We should notify them all during the next audit. Communicate clearly who they can expect and make sure that access is granted if we do unannounced.

10% Fence visits unannounced:

- For an auditor it would in many cases be nearly impossible to find the farms by himself, the roads have no names, the farms no address and the locations are all very remote. Maybe we should start noting GPS locations during the first audit?
- For the ducks it would not make any sense to have a fence visit as they are all inside. Access is blocked and strictly protected out of fear for avian flu. (see attached picture of my fence visit last week😊)
- Geese can be seen from the outside a fence visit could work quite well.
- How will the 10% be decided? I suggest to have some sort of risk assessment done by the certifier to decide this. Or do they want fully random?
- Who will be paying for this?

30% semi-announced:

- Would work on paper but:
 - o A certificate holder still knows when the certificate expires so he can guess the approximate audit date.
- o 48 hours would be plenty of time to clear the farm of any animals in bad condition

TE RESEARCH

Unannounced

FairTrade USA: When advance notification is needed such notification will not exceed 24 hours, except in cases where travel and scheduling is particularly difficult, and a short notice period exceeding 24 hours is deemed necessary

[10:18:08 AM] Lee Tyler: Other standards seem to just say unannounced inspections are part of their process. Other language implies it might be a "surprise" audit as they apply to normal business hours manufacturers that should be there anyway. Looking for more farm standards now

NOP: allows 4 hours notice, but only if absolutely necessary

An unannounced inspection should not include prior notification of the inspector's arrival. However, there may be special cases where extenuating circumstances make it impossible to conduct an unannounced inspection of the operation without prior notification (e.g. biosecurity issues). In such cases, the certifying agent may notify the operation up to four (4) hours prior to the inspector arriving on-site to ensure that appropriate representatives are present.

UK Department for Environment Food & Rural Affairs: Inspections are usually unannounced, as required by legislation, but we may give up to 48 hours' notice in exceptional circumstances.

ISO 17021: (not really unannounced, but as close as I can find in ISO docs we have)

9.5.2 Short-notice audits

It may be necessary for the certification body to conduct audits of certified clients at short notice to investigate complaints (see 9.8), or in response to changes (see 8.6.3), or as follow up on suspended clients (see 9.6). In such cases a) the certification body shall describe and make known in advance to the certified clients (e.g. in documents as described in 8.6.1) the conditions under which these short notice visits are to be conducted, and b) the certification body shall exercise additional care in the assignment of the audit team because of the lack of opportunity for the client to object to audit team members.

Semi-announced:

SGS Ethical Trade Audit – Semi-Announced: We will agree a four week period with you before the audit. The audit will then take place at any time during this period. For example you will be given an audit window of 1st February –15th February and the auditor may arrive on any day within this period. Before the audit you must tell us if there are any dates when it will NOT be possible to come to the site for any special reason, like that you are closing early, or closed completely for holiday.

SEDEX - The buying company or audit body will specify a window during which an audit may take place. Audit windows may range between 2 weeks and 2 months.

Other random standards agree it is a defined window of time they can show up. A broad window allows for more compliant timeframe and therefore harder to fake.

