

# Responsible Source™ Standard

## V1.0 for Chip, Pellets and Manufactured Fibers

*Environmental Certification Services*



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## 1.0 Introduction, Purpose, Structure, and Intended Uses

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### 1.1. Introduction

The production of chip, pellets, and manufactured fibers is associated with various impacts to the environment and human health, and risks from unethical workplace practices.

SCS Global Services (SCS) recognizes that the best practices for managing these impacts and risks includes the procurement of input materials from verified recycled sources, the operation of production plants in a manner that ensures safe and fair working conditions, procurement strategies that exclude corrupt or unethical business partners, and supply chain management to avoid major impacts, and to ensure that workplace practices meet a minimum set of requirements.

This document and its annexes contain the requirements for the certification of chip, pellets, and manufactured fibers, as “Responsible Source™,” including provisions for facility operations and supply chain management. These requirements comprise the SCS Responsible Source™ Standard for Chip, Pellets, and Manufactured Fibers (hereafter referred to as “this Standard”).

SCS developed the provisions of this Standard referencing ILO Conventions, US Federal Regulations, ISO Standards and Guidelines, existing SCS Standards, and other reputable sources (see Section 4.0 References).

### 1.2. Purpose

This Standard describes the requirements for third-party substantiation of the claims asserted by a manufacturer which is seeking to obtain certification as “Responsible Source™” for the production of chip, pellets, or manufactured fibers, at a single production site.

### 1.3. Structure of the Standard

This Standard provides: 1) social, ethical, environmental, and management requirements for qualifying chip, pellets, or manufactured fibers as “Responsible Source™”, which serves as the basis for claims asserted by companies and manufacturers; 2) marketing requirements that are applicable to all certified companies, materials, and products.

The term “manufacturer” is used throughout this Standard in reference to an operator of an entity in the business of producing chip, pellets, or manufactured fibers. The term “Facility” is used throughout this Standard in reference to a single production site of chip, pellets, or manufactured fiber undergoing a certification assessment for “Responsible Source™”.

The term “shall” is used throughout this Standard to indicate mandatory requirements. The term “should” is used throughout this Standard to indicate recommendations.

The Standard provisions include those addressing facility operations and acquisition of input material used in the production of chip, pellets, and manufactured fiber.

## **1.4. Intended Users**

Intended users of this Standard include: producers of chip, pellets, or manufactured fibers; businesses, organizations, or agencies seeking third-party certification of conformance of a manufacturer to this Standard; and businesses, organizations, or agencies interested in conducting business with companies whose chip, pellets, or manufactured fiber production operations meet the requirements of this Standard.

## **1.5. Voluntary Standard**

This Standard is voluntary. It is not intended to replace any legal or regulatory requirements that may be applicable to user operations.

# **2.0 Scope, Goals, and Limitations**

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## **2.1. Scope**

This Standard applies to companies seeking to make a claim about the impacts to the environment, impacts to human health, fair labor practices, and workplace practices associated with the manufacture of chip, pellets, and manufactured fibers. Upon assessment of conformance with the provisions of this standard, a “Responsible Source™ Fiber Production”, “Responsible Source™ Chip Production”, or “Responsible Source™ Pellet Production” certification is allowed for business-to-business communications, as applicable.

To qualify as a Responsible Source™,” the chip, pellet, or manufactured fiber must either contain 85% recycled content or be certified as an Environmentally Preferable Product (EPP).

This version of the standard (V1.0), applies only to undyed fibers.

This Standard allows the manufacturer operating a Facility to market and sell qualified chip, pellets, or manufactured fibers produced from the Facility as “Responsible Source™ certified”, and to promote itself as a “Responsible Source™.”

## **2.2. Goals**

The major goals of this Standard are:

1. To provide a uniform standard by which to assess Companies making Type II environmental claims (self-declared environmental claims as defined by ISO 14021:1999)

2. To engender confidence in the marketplace that SCS certified Companies consistently meet the requirements of this Standard [and its normative references]
3. To promote responsible performance by Companies producing chip, pellets, or manufactured fibers.
4. To provide assurance that textile fiber products meeting the provisions of this Standard meet a high level of environmental, social, and ethical performance.

## 2.3. Limitations

This Standard does not address safety, health and performance concerns, if any, associated with the use of recycled chip, pellets, or manufactured fibers under assessment.

Users shall note that compliance with the requirements of this Standard is no guarantee of regulatory compliance at the time of certification or in the period between audits. It is the responsibility of the user to establish appropriate conditions for such considerations and to determine the applicability of regulatory limitations prior to use.

## 3.0 Key Terminology

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Specific terms and definitions are provided below.

**Affixed.** The term "affixed" means attached to the textile fiber product in any manner. (Source: Federal Trade Commission, The Textile Products Identification Act, 15 U.S.C. § 70)<sup>1</sup>

**Ancillary input.** Material input that is used by the unit process producing the product, but does not constitute part of the product. (Source: ISO 14044:2006)

**Certification assessment.** Independent evaluation of a product claim using specific, predetermined criteria and procedures with assurance of data reliability.

**Chain of custody.** The path that a product takes from its point of production to the end consumer, consisting of records of each entity that takes legal and/or physical possession along this pathway.

**Chips.** Shredded plastic chips, usually the result of a recycling process.

**Claim.** Oral, written, implied, or symbolic representation, statement, or advertising or other form of communication presented to the public or buyers that relates to a manufacturer's operation and/or product.

**Component.** A material or ingredient used in the manufacture of a product.

**Consumer.** See ultimate consumer.

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<sup>1</sup> See <http://www.ftc.gov/os/statutes/textile/textlact.htm>

**Content.** Proportion, by mass, of a type of material in a product.

**Data review period.** The period of time represented by the data submitted for an assessment. This is typically the most recent four consecutive quarters. The data review period must be the same for all data included in the review.

**Deceptive.** (1) representation, omission or practice that is likely to mislead the consumer; (2) the practice from the perspective of a consumer acting reasonably in the circumstances; (3) the representation, omission, or practice must be a "material" one. The basic question is whether the act or practice is likely to affect the consumer's conduct or decision with regard to a product or service.

**Employment practices.** Include, but are not limited to, recruiting, hiring, training, job assignments, pay, benefits, promotions, discipline, termination, or retirement.

**Environmentally Preferable Product (EPP).** A product that has demonstrated lower environmental impacts than typical products in the same category, through Life Cycle Assessment (LCA).

**Fabric.** The term "fabric" means any material woven, knitted, felted, or otherwise produced from, or in combination with, any natural or manufactured fiber, yarn, or substitute therefor. (Source: Federal Trade Commission, The Textile Products Identification Act, 15 U.S.C. § 70)<sup>2</sup>

**Facility.** See Section 1.4.

**Fiber.** The term "fiber" or "textile fiber" means a unit of matter which is capable of being spun into a yarn or made into a fabric by bonding or by interlacing in a variety of methods including weaving, knitting, braiding, felting, twisting, or webbing, and which is the basic structural element of textile products. (Source: Federal Trade Commission, The Textile Products Identification Act, 15 U.S.C. § 70)<sup>3</sup>

**Hazardous material.** Any material specifically listed by the US EPA (40 CFR Part 261.31 – 261.33) or the Basel Convention (Annex I) as a hazardous material, or exhibiting a property consistent with the hazardous characteristics identified by the USA EPA (40 CFR Part 261 Subpart C) or the Basel Convention (Annex III).

**Hazardous waste.** Hazardous material as defined above that can also be classified as a solid waste as defined in 40 CFR Part 261.2.

**Household textile article.** The term "household textile article" means an article of apparel, costumes and accessories, draperies, floor coverings, furnishings, beddings, and other textile goods of a type customarily used in a household regardless of where used in fact. (Source: Federal Trade Commission, The Textile Products Identification Act, 15 U.S.C. § 70)<sup>4</sup>

**Impact category.** Class representing environmental issues of concern to which life cycle inventory analysis results may be assigned. Observed or measurable environmental or human health impact. (Source: LEO-SCS-002:2012)

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<sup>2</sup> See <http://www.ftc.gov/os/statutes/textile/textlact.htm>

<sup>3</sup> See <http://www.ftc.gov/os/statutes/textile/textlact.htm>

<sup>4</sup> See <http://www.ftc.gov/os/statutes/textile/textlact.htm>



**Impact.** A negative effect to human health or the environment, the depletion of resources or disturbance of natural ecological biomes. (Source: LEO-SCS-002:2012.) For the purpose of this Standard, refers exclusively to these effects.

**Input.** Product, material, or energy flow that enters a unit process. Note: Products and materials include raw materials, intermediate products and co-products. (Source: ISO 14044:2006)

**Intermediate flow.** Product, material or energy flow occurring between unit processes of the product system being studied. (Source: ISO 14044:2006.) Note: For the purposes of this Standard, this includes primarily textile fiber products, such as fibers, yarns, fabrics, and dyes.

**Intermediate product.** See intermediate flow.

**Manufactured fiber.** The term "manufactured fiber" means any fiber derived by a process of manufacture from any substance which, at any point in the manufacturing process, is not a fiber. (Source: Federal Trade Commission, The Textile Products Identification Act, 15 U.S.C. § 70)<sup>5</sup>

**Material recycling program.** A service or system administered for the purposes of reclaiming and/or recycling materials.

**Natural fiber.** The term "natural fiber" means any fiber that exists as such in the natural state. (Source: Federal Trade Commission, The Textile Products Identification Act, 15 U.S.C. § 70)<sup>6</sup>

**Normative reference.** Provisions that, through reference in this text, constitute provisions of this Standard.

**Output.** Product, material or energy flow that leaves a unit process. Note: Products and materials include raw materials, intermediate products, co-products, and releases. (Source: ISO 14044:2006)

**Pellets.** Industrial plastic pellets.

**Post-Consumer material.** Material generated by households or by commercial, industrial, and institutional facilities in their role as end-users of the product that can no longer be used for its intended purpose. This includes returns of materials from the distribution chain. (Source: ISO 14021:1999). Note: For the purposes of the SCS certification program this is interpreted to mean that any material returned from the distribution chain must meet the requirement of being from end-users to be considered post-consumer.

**Post-Industrial material.** See Pre-Consumer Material.

**Pre-Consumer material.** Material diverted from the waste stream during the manufacturing process. Excluded is the reutilization of materials such as rework, regrind or scrap generated in a process and capable of being reclaimed within the same process that generated it. (Source: ISO 14021:1999)

**Product category.** Group of products that fulfill equivalent functions. (Source: ISO 14025:2006)

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<sup>5</sup> See <http://www.ftc.gov/os/statutes/textile/textlact.htm>

<sup>6</sup> See <http://www.ftc.gov/os/statutes/textile/textlact.htm>

**Product.** A product is an item with defined materials, function, and styles. It may be associated with a specific stock-keeping unit (SKU). When considering the material basis, ancillary materials may be considered. Secondary materials may relate to type, style, fabrication method, or specific function.

**Raw material.** Primary or secondary material that is used to produce a product. Note: Secondary material includes recycled material. (Source: ISO 14044:2006)

**Reclaimed material.** Material that would have otherwise been disposed of as waste or used for energy recovery, but has instead been collected and recovered (reclaimed) as a material input, in lieu of new primary material, for a recycling or a manufacturing process. (Source: ISO 14021:1999)

**Records.** Any information in written, visual, or electronic form that documents the activities undertaken by a user to demonstrate conformance with this Standard.

**Recycled material.** Material that has been reprocessed from recovered [reclaimed] material by means of a manufacturing process and made into a final product or into a component for incorporation into a final product. (Source: ISO 14021:1999)

*Note: SCS may interpret a material to be recycled if it is “used, reused, or reclaimed” according to United States Government Code of Federal Regulations Title 40: Protection of Environment Part 261.1:*

*(4) A material is “reclaimed” if it is processed to recover a usable product, or if it is regenerated...*

*(5) A material is “used or reused” if it is either:*

*(i) Employed as an ingredient (including use as an intermediate) in an industrial process to make a product (for example, distillation bottoms from one process used as feedstock in another process). However, a material will not satisfy this condition if distinct components of the material are recovered as separate end products (as when metals are recovered from metal-containing secondary materials); or*

*(ii) Employed in a particular function or application as an effective substitute for a commercial product (for example, spent pickle liquor used as phosphorous precipitant and sludge conditioner in wastewater treatment).*

**Stakeholders.** People and organizations who are, or who might be, affected by any action taken by users of this Standard. Examples are: customers, workers, partners, contractors, suppliers, etc.

**Standard.** When capitalized, refers to this Standard (SCS Responsible Source™ Standard for Manufactured Fibers, Chip, and Pellets).

**Supplier.** Organization that provides an input to the Facility, including products, raw materials, or energy flows.

**Synthetic fiber.** See Manufactured Fiber.

**Textile fiber product.** The term "textile fiber product" means: (1) any fiber, whether in the finished or unfinished state, used or intended for use in household textile articles; (2) any yarn or fabric, whether in the finished or unfinished state, used or intended for use in household textile articles; and (3) any

household textile article made in whole or in part of yarn or fabric. (Source: Federal Trade Commission, The Textile Products Identification Act, 15 U.S.C. § 70)<sup>7</sup>

**Textile fiber.** See Fiber.

**Ultimate consumer.** The term "ultimate consumer" means a person who obtains a textile fiber product by purchase or exchange with no intent to sell or exchange such textile fiber product in any form. (Source: Federal Trade Commission, The Textile Products Identification Act, 15 U.S.C. § 70)<sup>8</sup>

**Unfair.** The act or practice causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers themselves and not outweighed by countervailing benefits to consumers or to competition.

**Waste.** Substances or objects which the holder intends or is required to dispose of. (Source: ISO 14044:2006)

**Yarn.** The term "yarn" means a strand of textile fiber in a form suitable for weaving, knitting, braiding, felting, webbing, or otherwise fabricating into a fabric. (Source: Federal Trade Commission, The Textile Products Identification Act, 15 U.S.C. § 70)<sup>9</sup>

## 4.0 Referenced Documents

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### 4.1. Normative References

The following normative documents contain provisions that, through reference in this text, constitute provisions of this Standard.

1. International Labor Organization (ILO) - Forced Labour Convention, 1930 (No. 29)
2. H.R.4501 - Guarantee of a Legitimate Deal Act of 2009
3. SCS Chain of Custody Verification Protocol
4. ISO 14021:1999, "Environmental labels and declarations – Self-declared environmental claims (Type II environmental labeling)"
5. Code of Federal Regulations Title 40: Protection of Environment, Part 261- Identification and Listing of Hazardous Waste
6. Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal
7. Montreal Protocol on Substances that Deplete the Ozone Layer

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<sup>7</sup> See <http://www.ftc.gov/os/statutes/textile/textlact.htm>

<sup>8</sup> See <http://www.ftc.gov/os/statutes/textile/textlact.htm>

<sup>9</sup> See <http://www.ftc.gov/os/statutes/textile/textlact.htm>

8. ISO 14024:1999, “Environmental labels and declarations – Type I environmental labeling – Principles and procedures”
9. ISO 14020:2000, “Environmental labels and declarations – General principles”
10. SCS Recycled Content Standard V6-0

## **4.2. Additional References**

1. Federal Trade Commission (FTC) Part 260- Guides for the Use of Environmental Marketing Claims
2. SCS Fair Labor Practices and Community Benefits Standard. Draft Version 2.0, 2010
3. ISO 9001:2000, Quality management systems – Requirements
4. ISO 14001:2004, Environmental management systems – Requirements with guidance for use
5. ISO 31000:2009, Risk management – Principles and guidelines

United Nations Global Compact Human Rights Compliance Assessment (HRCA) (The Danish Institute for Human Rights).

## **5.0 Minimum Requirements**

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The requirements in Sections 5.1 and 5.2 are not applicable if the product has already achieved recycled content certification through SCS, or another approved certification scheme, or the product has already achieved SCS EPP certification.

### **5.1. Chain of Custody Requirements**

#### **5.1.1. Traceability**

Traceability practices shall be employed by the manufacturer to ensure that products conforming to the Standard can have their material basis tracked back to the origin of all input materials.

#### **5.1.2. Segregation**

The manufacturer shall maintain a documented procedure for segregating and clearly identifying conformant and non-conformant products in stages such as receiving, storage, transfer to shipping, and shipping.

### **5.1.3. Manufacturing Process Description**

The manufacturer shall provide a diagram and/or a description of the manufacturing process showing how recycled materials are tracked and how a chain of custody is maintained. It shall also describe all inputs of materials, all internal material flows (e.g., reuse or recycling of scrap), and all material outputs (including, but not limited to, finished products, intermediary products, and waste).

## **5.2. Requirements for Material Qualification & Quantification**

### **5.2.1. Material Qualification**

#### **5.2.1.1. Product Performance Testing**

The Auditor reserves the right to request documentation of product efficacy and/or performance tests specific to product type that are, if applicable, recognized by national performance standards (ASTM, ANSI, etc.). Examples include performance testing for strength, flexural, fire resistance, etc.

#### **5.2.1.2. Supplier Verification & Validation**

The manufacturer shall provide a signed SCS Supplier Affidavit Form from all suppliers of recycled material providing  $\geq 2\%$  of total recycled material by weight. A signed SCS Supplier Affidavit Form must be received from suppliers of recycled material accounting for at least 95% of material by weight. Suppliers may be contacted by SCS to confirm validity and, on condition of their consent, may be subject to further review.

At its discretion, SCS may choose to employ alternative or supplemental means of qualifying sources of recycled material, not limited to an on-site audit of the supplier.

If SCS is unable to obtain information considered necessary to determine product conformance, the assessment may cease and the product may be deemed non-certifiable.

#### **5.2.1.3. Records of Suppliers**

The manufacturer shall maintain records that demonstrate it has an active business relationship with each supplier of recycled material. These records might include invoices, bills of lading, delivery receipts, or manufacturer evaluations/audits of suppliers.

## **5.2.2. Material Quantification**

### **5.2.2.1. Material Supply Data**

The amount of recycled material obtained from each supplier of material under review shall be maintained and provided for the data review period. Data should be provided on a dry weight basis in tons.

### **5.2.2.2. Product Component Information**

The manufacturer shall provide a bill of materials (BOM) or similar documentation that describes the dry weight of each component in a product, including all additives. This documentation should identify the dry weight of virgin, pre- and post-consumer recycled material in a product.

### **5.2.2.3. Scrap Reuse and Waste Rates**

For the material used in each product under review, the manufacturer shall maintain records for the data review period of the amounts and units of measurement for scrap generated and reused and the waste generated and sent to disposal, incineration, or additional recycling.

### **5.2.2.4. Production Totals**

For each product under review, the manufacturer shall provide production totals (weight of units produced) for the data review period. Total production is the total amount of product coming off the manufacturing line, including any waste from trimming or finishing, defective products, and all non-saleable material.

### **5.2.2.5. Recycled Material Inventories**

The manufacturer shall maintain inventory records of the amount and types of recycled materials used in the product for the data review period.

### **5.2.2.6. Mass Balance**

For the scope of every assessment, a mass balance calculation with the data supplied in 5.2.2 must demonstrate that there are sufficient supplies of recycled material to produce the amount of product reported.

## **5.3. Other Requirements**

### **5.3.1. License to Operation**

The manufacturer shall have documentation of any and all valid local, state, or federal permits required to operate. The manufacturer shall maintain all valid permits, licenses, consents and certificates required for legal operation.

### **5.3.2. Citations or Infractions**

The manufacturer shall disclose any regulatory citations or infractions received in the last three years and provide associated documentation upon request.

- a. The manufacturer should demonstrate that it has complied with relevant national and local laws and regulations for the past three years.
- b. If the manufacturer does not meet requirement 5.3.2. a., it shall report any corrective actions undertaken in response to the citation(s) or infraction(s) received and these corrective actions shall demonstrate effective resolution of the issue of non-compliance.

### **5.3.3. Scale Calibration**

The manufacturer shall maintain an auditable record that confirms that all scale(s) used for measuring materials onsite have been calibrated during the data review period.

## **5.4. Requirements for Suppliers of Chips or Pellets**

### **5.4.1. Source Material Information**

The manufacturer shall maintain documentation of the location (city, state, and country), collection method (e.g. municipal pickup, customer delivery), source of material (e.g. bottle manufacturing waste, consumer waste, etc.), and degree of processing (e.g. baling, washing, shredding/flaking, etc.) of each supplier.

### **5.4.2. Supplier Assessment**

- a. The manufacturer shall create and use a screening process to ensure that all suppliers are in conformance with local water quality regulations which apply to wastewater discharges.
- b. The manufacturer shall create and use a screening process to ensure that all suppliers are in conformance with local air quality regulations which apply to air emissions (if applicable).
- c. The manufacturer should discuss with suppliers the adoption of best available techniques to minimize water and energy consumption.

- d. The manufacturer should create and use a screening process to ensure that all suppliers satisfy a basic set of criteria for workplace requirements, including: involuntary labor; hiring and employment practices; compensation; working hours; freedom of association and collective bargaining; and health and safety.

## **5.5. Environmental Requirements**

### **5.5.1. Facility Environmental Plan**

The manufacturer shall provide documentation of an environmental plan, which shall be consistent with or exceed industry norms. At a minimum, this plan should include an environmental policy, training on environmental issues, and goals for improving environmental performance. The manufacturer shall appoint a member of the management team to coordinate environmental management activities. The environmental policy shall be made publicly available.

### **5.5.2. Facility Hazardous Waste Generation**

- a. The manufacturer shall maintain auditable records for the data review period of the amount/quantity, units of measurement, type (e.g. municipal, hazardous, combined wet/solid, etc.), and destination for the hazardous wastes generated and sent to disposal or incinerated (if applicable).
- b. The manufacturer shall classify hazardous material as any material specifically listed by national, state, or local, regulations (if applicable).
- c. The manufacturer shall maintain documentation of relevant permits required by local and national regulations for the handling and storage of hazardous materials or substances (see Key Terminology for definition of hazardous materials).

### **5.5.3. Facility Emissions to Air**

- a. The manufacturer shall conduct regular air emissions monitoring (sampling & testing) as required by local and national regulations.
- b. The manufacturer shall maintain auditable records for the data review period of all six Kyoto greenhouse gas (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, PFCs, HFCs, SF<sub>6</sub>) for the facility under review.

The manufacturer shall maintain auditable records of all US EPA criteria air pollutant emissions (CO, NO<sub>x</sub>, SO<sub>x</sub>, PM<sub>10</sub>, PM<sub>2.5</sub>, Pb) as well as HAPs and VOCs for the facility under review.



#### **5.5.4. Facility Energy Inputs**

The manufacturer shall maintain auditable records of all energy inputs at the Facility for the specified data review period. (Energy sources include, but are not limited to, electricity, natural gas, light fuel oil, diesel fuel, residual oil, crude oil, hydrogen, wind, solar, coal.)

#### **5.5.5. Water Inputs and Discharges**

- a. The manufacturer shall maintain compliance with existing national, state, and local, regulations, regarding wastewater discharges.
- b. The manufacturer shall conduct regular wastewater monitoring (sampling and testing) as required by local and national regulations.
- c. The manufacturer shall maintain auditable records of water inputs, discharges, and net uses, at the Facility, for the specified data review period.
- d. The manufacturer shall maintain auditable records of the quality of any wastewater discharges from the facility under review for the specified data review period. The manufacturer shall maintain auditable records regarding the sources of water used, and the accepting facility and/or receiving water body for wastewater discharges.

### **5.6. Workplace Requirements**

#### **5.6.1. Involuntary Labor**

- a. The manufacturer shall have available objective evidence demonstrating that it does not engage in or support the use of forced, compulsory, bonded, trafficked or otherwise involuntary labor as defined in ILO Convention 29 either directly or through contracted labor.
- b. The manufacturer shall not employ child labor, defined as any persons under the age of 15 or whatever age is defined as the minimum working age under local or national law, whichever represents the higher standard.
- c. The manufacturer shall document the age, work undertaken, hours worked and salary details for all minors (workers under 18 years of age).
- d. The manufacturer shall have and implement age-verification procedures and retain copies of identification and other documents submitted by a worker as proof of age.
- e. Workers at the manufacturer shall maintain control over their identity documents.
- f. Workers shall not be required to make a monetary deposit as part of the employment contract (that could prevent workers from freely and legally ending their employment).

- g. Workers shall be provided with rest days and have working hours consistent with local regulations or international norms (whichever is the higher standard).
- h. No part of workers' salary, benefits or property shall be retained in order to force them to work (including fines when a worker legally terminates their employment contract) or restrict their movements.
- i. Spouses or children of the workers shall not be obliged to work for the manufacturer.
- j. Workers shall be allowed to leave their employment after due notice according to their contractual agreements.
- k. Workers shall be allowed to leave manufacturer premises freely and without penalty at the end of their work shifts and under other reasonable circumstances, such as personal or family emergencies.

#### **5.6.2. Hiring and Employment Practices**

- a. The manufacturer shall demonstrate the legal right of each worker to work in the country.
- b. The manufacturer shall have a stated policy on fair employment practices.
- c. The manufacturer shall provide workers with a written agreement describing the terms and conditions of employment.
- d. The manufacturer shall demonstrate that the terms and conditions of employment (including, but not limited to, hiring, training, job assignments, pay, benefits, promotion, termination, and retirement) are based on an individual's ability and experience.
- e. The manufacturer shall not discriminate based on gender, sexual orientation, age, religion, marital status, race, social background, diseases (including HIV status), disability, pregnancy, ethnic and national origin, nationality, membership in worker organizations, or any other personal characteristic.
- f. The manufacturer shall not require female applicants, contract workers, or permanent workers to be tested for pregnancy unless the manufacturer is required to do so by law.
- g. The manufacturer shall make reasonable accommodations in job conditions for pregnant, post-partum, or lactating women (such as job reassignments to non-hazardous or lighter work, provision of seating, extended breaks, etc.).
- h. The manufacturer shall provide maternity leave with compensation in accordance with applicable local, national or industry standards, with a guarantee of return to the same or equivalent position at the same or higher wage at the end of the maternity leave.

- i. The manufacturer shall establish a policy and procedures to ensure that the work environment is free of physical punishment or abuse, and free of verbal abuse or coercion of workers.
- j. The manufacturer shall establish and make workers aware of a written grievance policy whereby workers can communicate grievances – including but not limited to those related to sexual harassment, working hours, and working conditions – to management representatives without fear of reprisal.
- k. The manufacturer shall demonstrate that any termination of worker employment has been carried out in accordance with local and national laws.

### **5.6.3. Compensation**

- a. The manufacturer shall compensate all workers with wages, overtime premiums, and benefits that meet or exceed local legal standards, local industry standards, or collective agreements, whichever are higher.
- b. The manufacturer shall provide written pay records to workers, clearly stating regular and overtime hours and rates, wages, bonuses, taxes and other deductions.
- c. The manufacturer shall maintain complete written earning records for workers, which at a minimum itemize all wages and deductions in a form that can be audited.
- d. The manufacturer shall pay workers on a regular basis in accordance with national law.
- e. The manufacturer shall only make deductions from workers' wages in accordance with national laws and regulations or a collective agreement.
- f. The manufacturer shall provide workers with paid sick leave and a compensation program that meets or exceeds the local or nationally mandated minimum.

### **5.6.4. Working Hours**

- a. The manufacturer shall demonstrate that all overtime is voluntary.
- b. The manufacturer shall ensure that working hours are consistent with local and national regulations and are not excessive. Where the country's laws and regulations do not address standard working hours, the manufacturer shall ensure that the work week does not exceed 60 hours consisting of a maximum of 48 hours of regular work and 12 hours of overtime except where written agreement exists between the management and workers.
- c. The manufacturer shall ensure that workers are not required to work more than 16 consecutive hours in a 24-hour period.

- d. The manufacturer shall allow workers to have access to their own time records.
- e. The manufacturer shall provide workers rest days (at least one day off for every seven-day period) and leave privileges.
- f. The manufacturer shall provide workers with a vacation plan that meets local or national laws, including the observance of national holidays.

#### **5.6.5. Management-Employee Relations**

- a. The manufacturer shall demonstrate compliance with all applicable legal labor requirements (ex. National Labor Relations Act) or internationally recognized equivalent.
- b. The manufacturer shall provide evidence that it encourages the establishment and maintenance of joint processes to improve management-employee relationships, job enrichment, and organizational effectiveness. The manufacturer shall have a process to obtain employee feedback or solicit ideas from employees. The manufacturer shall also have a process in place to effectively resolve employee conflict.
- c. The client shall not terminate nor enact punitive measures against any worker for involvement in collective organization activities. Nor shall the client engage in activities intended to prevent the freedom of association of employees, in accordance with ILO Conventions 98 and 135.

#### **5.6.6. Health and Safety**

- a. The manufacturer shall maintain records relating to any health inspections that are legally required, and provide documentation for any findings, including non-conformities.
- b. The manufacturer shall provide workers with a safe and healthy work environment which includes adequate lighting, ventilation and air quality; safe noise levels; and temperatures.
- c. The manufacturer should establish an indoor air quality testing plan relevant to the industrial processes used in the facility.
- d. The manufacturer shall establish written health and safety procedures, which shall include a mechanism by which employees can discuss health and safety matters with management without fear of reprisal.
- e. The manufacturer shall prepare a summary report of worker accidents / illnesses at least annually.
- f. The manufacturer shall conduct regular fire drills as required by local and national laws and not less than annually.

- g. Aisles and exits shall be kept clear and unblocked at all times and exits shall be clearly marked and unlocked during working hours.
- h. Management and workers shall have immediate access to functional and sufficient firefighting equipment.
- i. Chemicals shall be stored safely and appropriately.
  - i. MSDSs of all chemicals used on premises shall be readily accessible including chemicals used for cleaning and maintenance, chemicals used in the product or in processing of the product.
- j. The manufacturer shall issue appropriate and sufficient personal protective equipment (PPE) free of charge to all applicable workers and instruct workers on its proper use on an annual basis, at minimum.
- k. The manufacturer shall recognize the right of workers to remove themselves from situations involving the use of chemicals or equipment when they have reason to believe that there is an imminent and serious risk to their safety or health.
- l. The manufacturer shall have and regularly update an appropriate health and safety training program for workers, including the training of a sufficient number of first aiders amongst management and workers.
- m. The manufacturer shall only assign workers who are trained appropriately and authorized to handle and apply chemical agents operate related machinery.
- n. The manufacturer shall have and maintain records of performance against health and safety targets.
- o. The manufacturer shall not allow workers under the age of 18 to handle potentially harmful chemicals, or undertake jobs that inherently have the potential to jeopardize health and safety.
- p. Hazardous chemicals shall be properly labeled or otherwise identified.
- q. The manufacturer shall monitor the exposure of workers to hazardous chemicals.
- r. The manufacturer shall have an emergency preparedness and response plan.
- s. The manufacturer shall establish and maintain suitable decontamination facilities (e.g. eye wash stations, safety showers) for workers.

- t. The manufacturer shall maintain adequately stocked first aid kits and other appropriate medical supplies to address major medical emergencies associated with occupational health risks.
- u. The manufacturer shall maintain sufficient first aid boxes (at least 1 per 100 employees) which are consistently monitored and refilled as necessary.
- v. The manufacturer shall have an appropriate maintenance program and maintain a record of maintenance work requests and completed work.
- w. Workers shall have access to safe drinking water.
- x. Restrooms, canteens, food preparation areas, dormitories, etc. shall be maintained in a safe and clean condition.
- y. Adequate workplace hygiene shall be maintained at all times through routine cleaning.
- z. The manufacturer shall possess an appropriate hygiene certificate for its canteen and its workers as required by local and national laws.

## 6.0 Environmental Performance

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### 6.1. Categorical Environmental Performance

#### 6.6.1. Impact Categories

Manufacturer environmental performance shall be measured, by SCS, in the following categories, for facility and upstream impacts:

- a. Energy Resource Depletion.
- b. Global Climate Change.
- c. Arctic Climate Change.
- d. Ocean Acidification.
- e. Ocean Warming.
- f. Ground Level Ozone.
- g. Particulate Matter.

Other impacts shall be measured by SCS, if found to be relevant.

## 7.0 Evaluation of Requirements

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### 7.1. Desk Audit

The manufacturer shall submit all necessary forms, records, documents, and data to SCS for review. The auditor will review the submitted evidence and assess the manufacturer's conformance with respect to the requirements of the Standard (Section 5.0 Requirements).

### 7.2. Site Audit

The manufacturer and/or supplier(s) may undergo site audit(s) if deemed necessary based on the submitted evidence and ability of the auditor to assess the manufacturer's and/or supplier's conformance to the Standard.

### 7.3. Audit Findings

After the completion of the desk or site audit the auditor may have formal audit findings regarding the degree of the manufacturer's compliance with the requirements of the Standard. The three types of findings include:

#### 7.3.1. Non-Conformity

Non-conformities, defined as non-fulfillment of a specified requirement, shall be adequately resolved through root-cause analysis and corrective/preventative action before certification can be granted.

#### 7.3.2. New Information Request

New information request, defined as a request for mandatory information that may be necessary to determine compliance, shall be adequately resolved through root-cause analysis and corrective/preventative action within an established deadline.

#### 7.3.3. Opportunity for Improvement

An opportunity for improvement, defined as a concept that will surpass minimum requirements, should be adequately resolved through root-cause analysis and corrective/preventative action within an established deadline.

## 8.0 Guidelines for Private Label Users

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### 8.1. Private Label Customers

#### 8.2.1. Conditions for Use of Certification Label

Private Label Customers are permitted to use the SCS Certification Label as a pass-through certified claim only, as delineated in the *SCS Private Label Requirements Annex* to the *SCS Services Agreement* and the *SCS Certification, Validation and Verification Program Labeling and Language Guidelines*.

#### 8.2.2. No Changes

Private Label Customers are not permitted to make any changes to the final product before it is sold, or embellish the recycled content or other environmental claims associated with the product.

#### 8.2.3. Application and Fees

Such users are required to obtain permission for private label use by obtaining and completing the *SCS Private Label Application* form, and are subject to rules and administrative fees for using the SCS Certification Label.

## 9.0 Certification and Continued Conformance

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### 9.1. Certification

Once a Facility qualifies for certification based on conformance with this Standard, a “Responsible Source™” certificate of achievement is issued as applicable. Certificates are valid for one year, provided that the manufacturer maintains conformance with the requirements.

### 9.2. Continued Conformance

An annual audit to demonstrate continued conformance with the Standard is required if the manufacturer wishes to continue making a certified claim. The manufacturer shall demonstrate progress towards achieving the environmental goals laid out in the environmental plan and environmental policy.

### 9.3. Notice of Change

If the manufacturer makes changes to its products or processes that affect its conformance with the requirements of the Standard, it shall notify SCS of these changes.



## 10.0 Labeling Requirements

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### 10.1. National Requirements

All uses of the SCS Certification Label or references to the certification on the product and in product advertising shall be conducted in conformance with U.S. Federal Trade Commission guidelines or other national guidelines if outside of the U.S.

### 10.2. SCS Requirements

#### 10.2.1. Guidelines

The manufacturer shall comply with the requirements of the SCS Certification, Validation and Verification Program Labeling and Language Guidelines at all times.<sup>10</sup>

#### 10.2.2. Trade names

A certified and non-certified product cannot have the same trade name or trademarked designation.

## 11.0 Complaints, Appeals and Disputes

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### 11.1. Complaints

All complaints, appeals and disputes are handled in accordance with the *SCS Complaint, Appeals and Disputes Procedure*.<sup>11</sup>

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<sup>10</sup> Provided as a supplement to the SCS Assessment Services Agreement. This document is also available on the SCS website at: [www.scsglobalservices.com](http://www.scsglobalservices.com) and upon request.

<sup>11</sup> Provided as a supplement to the SCS Assessment Services Agreement. This document is also available on the SCS website at: [www.scsglobalservices.com](http://www.scsglobalservices.com) and upon request.