

# Responsible Wool Standard (RWS) Roundtable Meeting

February 7<sup>th</sup>, 2018

## Agenda:

1. Welcome and Introductions
2. News
3. Update on activities
4. Update on planned activities
5. Knowledge sharing: Brand and supplier experiences
6. RWS Roundtable
7. Monitoring and evaluation / KPI
8. Close

## 1. Welcome and Introductions

## 2. News

- <http://www.rlmag.com/us/en/magazine/ralph-lauren-olympic-uniforms-made-in-the-usa>
- [https://www.youtube.com/watch?v=\\_TrruTE2Y7E](https://www.youtube.com/watch?v=_TrruTE2Y7E)

## 3. Update on Activities

- Future Fabrics in London – a lot of interest in wool and the RWS
- ISPO/GreenRoom Voice – again a lot of interest in the RWS
- Anne at Outdoor Retailer – met with a lot of companies are working with the RWS and it was very encouraging, a lot of continued commitment and support, a lot of suppliers getting requests

## 4. Update on Planned Activities

- Australia/New Zealand Supply Webinar – webinar for wool growers and brokers
  - Thursday, 22 February at 8.30 PM EST / Friday, 23 February at 12:30 PM AEDT
- Coming soon: Brand training  
Developing training package to update the RWS Sourcing Toolkit for Brands and Retailers.  
The training will cover:
  - Sourcing options
  - Blending
  - Working with your supply chain
  - Labelling claims
- RWS Supply Chain Certification Training  
Where: Sellalab, Via Corradino Sella, 10 – Biella, Italy

When: 6th March 2018, 9.30-12.30  
Registration: roberta.bartoletti@icea.bio

## 5. Knowledge sharing – Brand experiences

### **ESPRIT**

- ESPRIT is certified to the RWS since May 2017
- Important to be certified on our own as a good sign to our suppliers
- Joined the Kick Start program in June 2017 and now 2 of our key suppliers are now certified
  - Went smoothly since we use RDS, OCS, GRS, our suppliers were used to certification
- The challenge is getting a product in the store
  - Could not find the right qualities – hopefully changes as more farms become certified
- Wool prices are quite high right now and had to pay a premium for the RWS, so struggling a little bit but hopeful for a solution to have products in stores soon!
- Q: Do you have problems with finding availability?
  - A: Not every quality is available which is a problem – there are thicker qualities available, but not finer
- Q: Have any problems accessing blends?
  - A: No, only a problem with finding 100%
- Q: What was the premium you had to pay for RWS wool?
  - A: Approximately 30% on top

### **H&M**

- Excited to announce 1<sup>st</sup> RWS product
- For ARKET
  - 100 tons of merino
  - spread over 3 micron ranges:
  - In production now! – should be available in the 2<sup>nd</sup> quarter of the year
- Began process in 2016 when the standard was launched
  - Building connections and creating demand; wool was not a key material for H&M so this needed to be developed
- Was this any different from regular sourcing?
  - H&M had no inventory
  - Process needs to start a lot earlier than normal sourcing
  - Premium with a price difference
- Challenges along the way?
  - Availability in the beginning – really wanted to have the products earlier, but there was very little in quantity and not workable prices
  - Rising wool prices and RWS upcharge
  - Quality concerns due to change of source origin
  - Chain of custody (CoC) for supply chain – some concerns because some supply chain members were against CoC and preferred mass balance system

- Sharing our experience
  - Build your connections around the supply chain – especially if you need specific microns
    - Go to the farm level if you need to!
  - Send the demand signal – be persistent and you will get responses
  - Work with your supply chain partners to manage the price impacts
- Q: Since they are only merino wool, only sourcing from Australia?
  - A: Uruguay is one of our biggest sources
  - A lot of work happening on the coarse wool side of things as well

## **Kathmandu**

- Tell us about your first RWS product!
  - *We have converted our Flinders Merino range to use RWS, to be launched in stores in AU/NZ in August 2018. It's part of our core range which we will continue throughout.*
  - *<http://gear.kathmandu.com.au/gear/Flinders-Merino>*
- What did the process look like from first exploring the possibility of sourcing RWS wool?
  - *We kicked off the pilot program in April 2016 when we visited our supply chain partners in Asia – top maker, spinners and knitters. Having gone through the 100% RDS rollout across 100% of our product range meant that we had a lot of learnings and understanding of challenges from a supply chain perspective. We had therefore designed our pilot program more around education and engagement; as that's what we believed in for this pilot to be successful. We wanted the suppliers to tell us that yes it is the right thing to do rather than the other way around. The drive to change needed to come from them and it did. We spent close to 60-70% of our time on this engagement /education part of the whole product development process through numerous on-site visits, office meetings, correspondences etc, asking them to be part of this journey where the destination – how/when was still unknown. We understood quite early that the biggest hurdle would be on supply availability and prices. To alleviate this, we were focused from the start on only converting a part of our merino range, and therefore exactly knew how much annual units we would buy, what would be the exact tonnes of RWS merino – bespoke quality, micron etc. Commitment signals were passed onto all parts of the supply chain quite early and we also were supporting them through separate dialogues with farmer groups in AU/NZ and with TE. Information flow was also key as whatever updates we had were also shared with the supply chain at the same time and vice versa. Since we were very focused, we were finally able to lock in prices for our annual requirement of RWS certified bespoke merino yarn. All the hard work was done buy our supply chain partners and kudos to them; they are our real champions of change.*
- How was sourcing RWS wool different from how you normally source wool?
  - *Very different in the sense that wool is a commodity item – anyone can buy it; however, RWS merino being still so new to the market meant that it required much deeper level of engagement with supply chain to bring it to scale. Forward price and volume commitment was therefore key that helped give confidence to supply chain that this was actually workable.*
- Were there any challenges along the way?
  - *As mentioned above; however, once we got over the engagement part with our*

*supply chain, it was a like a ripple effect and rather than just Kathmandu pushing for it; it was actually our supply chain partners driving it.*

- What advice would you give to someone interested in sourcing RWS wool/designing an RWS certified product?
  - *Spend more time in answering the why than the what and the how; bring suppliers on the journey so that it becomes their cause and not just yours; be focused in terms of products that you want to convert and give upfront volume commitments; celebrate small successes with suppliers and appreciate their hard work.*

## **BKB**

- BKB is a wool broker
- 30 million kilos of wool for about 60,000 customers
- Why did we become involved in RWS?
  - Because our values aligned well
  - Want to certify farmers that are adhering to the standard
  - Want to reward those who are doing the right thing
  - South Africa is well-suited to the RWS
- What does it mean for us?
  - Receiving premiums for the RWS wools is helpful and sustainable
  - Helps show proof of good land management practices on farms
- Process?
  - A wool buyer was interested (BKB is just a broker)
  - Discussed with Stuart Adams about what we needed to do to become certified
  - Not an easy process! But most of our farmers were already doing the right thing, but the paperwork process is a challenge
  - A lot of training went into certifying the first farmer
  - A lot of work to still be done – looking at a range of options to make this process easier
    - Working on digitalizing audits
    - In the process of setting up a block chain
- Advice on sourcing RWS?
  - Must build relationships along the way! Find out who the buyers are and understand the whole supply chain – understand where your product comes from
  - The link between final users and the farmers is still weak
  - The cost of auditing is expensive and there is no way you can guarantee to receive a premium
  - We didn't realize the work involved, but it ended up being a good learning experience
- Q: Micron range?
  - 14.5 microns is the finest, thickest is 32 microns, real volume starts are 17-18 microns, South Africa average 19.6 microns
  - Some wools are going to India, but no RWS-certified wools at 32 microns yet
- Q: What kind of cost impact does certifying a farm have?
  - A: the certifying cost is about \$1000 per farm, but we used the Farm Group scheme which brings cost down to about \$500
- Q: average farm size – how many sheep?
  - A: at least 2,000 sheep

Comment: There are some concern regarding prices –the RWS protocol has more value for the product and adds value to the brand

- Recently there has been a big increase in the wool market world-wide
- This increase in prices is not just because of RWS wool, it is because of the whole market!

## 6. RWS Roundtable

Designed to be a collaborative environment where we can learn from our peers and grow the supply and demand and impact of the RWS

The primary mission of the Roundtable will be to drive the successful use of the RWS.

- A platform to learn and understand the challenges and opportunities in the wool industry
- A forum to agree on priority issues and desired solutions, with the possibility of taking actions
- Provides a common voice that represents the interests of the users of the RWS
- A structure for interacting with other organizations and government bodies

RWS Roundtable Charter – working on finalizing as per the RDS IWG

- Sets roles and responsibilities for Textile Exchange and Roundtable Members
- Sets codes of conducts for participants
- It will be mandatory for all Roundtable members to sign the charter in order to participate

## 7. Monitoring and Evaluation

- **Defining intended change**  
Long-term impacts & short-term outcomes
- **Define indicators to trace progress**  
Systematic data collection and analysis
- **Continuous learning and improvement**  
Use evaluation results to improve the standard and strategies
- **Grow the M&E system over time**  
Integrate M&E across the organisation
- **Public disclosure of goals, intended impacts**  
Report externally on results and evaluations

M&E Next Steps:

1. Monitoring
  - a. Unit data
  - b. NC data
  - c. Farm Question
2. Reporting / KPI's
3. Evaluation
4. Animal Based Measures

## 8. Close – RWS Roundtable Next Steps

We welcome your feedback on where the Roundtable goes next. We are committed to at a minimum holding regular update calls. Depending on the level of interest we can cover different topics in more detail. There is also the potential for task groups both depending on interest and resources.

### **Action:**

Please complete the survey or send answers to the following questions to [responsiblewool.org](http://responsiblewool.org)

<https://www.surveymonkey.com/r/RWS-Roundtable>

- What would you like us to address next?
- Is there anything you'd like to learn about?
- Is there a specific issue that you want to discuss (e.g.: supply chain certification)?
- Who from the supply chain would you like to hear from?