AGENDA

Welcome and Introductions

• Introducing the Responsible Wool Standard

• Communicating confidently to consumers about animal welfare and land health

• Understanding the farmer

• Supply chain certification and labeling

Networking break and refreshments

• RWS Sourcing considerations

• Strategies for sourcing RWS fiber into your supply chain

Networking and cocktails
TE INDUSTRY STANDARDS

- Organic Farm Standard
- TE Recycled Input Requirements
- TE Welfare Requirements
- TE Welfare and Land Requirements

Labels:
- CCS
- Labeling
- Chemical
- Environment
- Social

Global Recycled Standard

© TextileExchange
RWS Timeline

- Development begins
  - Stakeholder mapping and outreach
  - Terms of reference
  - Research
  - Web page
  - Fundraising
  - IWG task groups
  - Writing

- Pre-pilot draft completed
- Farm pilots – feedback - revisions
- First public draft
- 60-day open stakeholder review - revisions
- 30-day open stakeholder review - revisions
- Release of final standard

Supporting Work

- Templates
- Guidance documents
- Research references
- Group certification protocol
- Certification strategy
- Website development
- Data collection requirements
- Responses to PETA and media
- Training sessions
- Equivalency process

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RWS Goals

- Recognize the best practices of farmers
- Ensure that wool comes from farms with a progressive approach to managing their land, and from sheep that have been treated responsibly
- Provide a robust chain of custody system from farm to final product so that consumers are confident that the wool in the products they choose is truly RWS
- Create an industry benchmark that will drive improvements in animal care and land management where needed
Driving Change

The RWS is:

- A single baseline for multiple initiatives
- A platform for sharing best practices
- A strong communication tool
- Connecting the full supply chain
- Giving a voice to farmers
- Giving choice to consumers
RWS – Animal Welfare

- Pass-fail criteria
- Engagement with animal welfare groups and experts
- Tools, resources and training

Level of Animal Welfare Performance

Number of farmers

< All Five Freedoms are met >
RWS – Land Management

- 50% minimum score, with 10% increase/year
- Engagement with grazing impact NGOs and experts
- Tools, resources and training
RWS for Brands

- Easier sourcing
- Get what you ask for and pay for
- Protection from activist or media attacks
- Messaging and story-telling
- Meet CSR goals
- Connection to the farms
Responsible Wool Standard

The Responsible Wool Standard is a voluntary global standard that addresses the welfare of sheep and of the land they graze on.

www.responsiblewool.org
Our Goals

The goals of the Responsible Wool Standard are to provide the industry with a tool to recognize the best practices of farmers; ensuring that wool comes from farms with a progressive approach to managing their land, and from sheep that have been treated responsibly.
How does the RWS work

The Responsible Wool Standard is an independent, voluntary standard, which means that companies can choose to become certified. On farms, the certification ensures that sheep are treated with respect to their five freedoms and also ensures best practices in the management and protection of the land. Through production, certification ensures that wool for certified farms is properly identified and tracked.
RWS Key Points

Protecting Animal Welfare
The Five Freedoms of sheep are protected at all times, referencing standards and best practices around the world.

Preserving Land Health
Progressive methods of land management are practiced on RWS farms, protecting soil health, biodiversity and native species.

Supply Chain Traceability
The identity of the RWS wool is maintained at all times, from the farm to the final product. Consumers can have full confidence that the wool in a product carrying the RWS logo comes from responsibly managed farms.

Credible Certification
A professional, third-party certification body audits each stage in the supply chain.

Confident Communication
Only products with 100% certified wool may carry the RWS logo.

Stakeholder Engagement
Our process of standard development is open and inclusive. The RWS was developed with the input of farmers, animal welfare experts, land conservation experts, brands and retailers from all parts of the globe.
What does Responsible Mean?

The intent and spirit of the standard is best reflected by one of Oxford Dictionary's definitions of responsible: "morally accountable for one's behaviour." Not only farmers, but brands and supply chain members need to meet their obligations to respect the land and Five Freedoms of the animals that provide their wool, and to meet the trust of consumers that are choosing RWS products.
About the RWS

What is the RWS?

The Responsible Wool Standard is an independent, voluntary standard. On farms, the certification ensures that sheep are treated with respect to their Five Freedoms and also ensures best practices in the management and protection of the land. Through the processing stages, certification ensures that wool from certified farms is properly identified and tracked.

How does the RWS work?

Farms participating in the RWS are audited annually by an independent third party certification body. As certified wool from these farms moves through the supply, the Textile Exchange Content Claim Standard is used to provide a chain of custody system to the final product. Each stage of production is certified to this standard by an accredited third party certification body.

History and development

In February 2014, H&M contacted Textile Exchange (TE) about addressing their wool supply. The decision was made to involve the full industry in the development of a global standard. The International Working Group (IWG) for the Responsible Wool Standard was born.

The IWG represents the broad spectrum of interested parties, including farmers, animal welfare groups, land conservation experts, supply chain members, industry associations, as well as apparel, home, and carpeting brands. TE facilitated the IWG, following ISEAL’s Code of Good Practice for sustainability standards. These methods ensure that all stakeholders have the opportunity to participate in the process of developing the standard.

The IWG spent time extensively researching existing animal welfare and land management standards sheep farms. Pilot audits of the draft standard were conducted in Australia, New Zealand, Argentina, China, South America, Austria, the UK and the US. Following the audits, two Public Stakeholder Review Periods were held in early 2016. Revisions were made based on the input, and the final standard was released in June 2016.
How to Get Certified

The RWS requires all sites to be certified, beginning with the wool farmers and through to the seller in the final business-to-business transaction. Usually the last stage to be certified is the garment manufacturer or brand. Retailers (business-to-consumers) are not required to be certified.

Farms are certified to the Animal Welfare and Land Management Modules of the RWS.

Subsequent stages of the supply chain are certified to the Content Claim Standard requirements.

Supply Chain Companies

Each stage of wool production is required to be certified against the requirements of the Content Claim Standard (CCS), up to the seller in the last business-to-business transaction.

The CCS ensures the accuracy of RWS certified wool content by verifying the presence and amount of certified wool in a final product. Facilities are certified to the standard, and each shipment of goods must be accompanied by a transaction certificate.

Brands and Retailers

In order for products to include a reference to the RWS (for example, a hangtag or sewn-in label), each facility in the supply chain must have been certified, up to the seller in the last business-to-business transaction. If you are a brand that sells product to retailers, then you must be certified to the Content Claim Standard requirements, which tracks the flow of goods and ensures proper identification. If you sell directly to consumers, you are required to have a transaction certificate from your supplier.
Tools and Support

Tools and resources to help you implement the Responsible Wool Standard.

For Farmers

For Supply Chain

For Brands & Retailers

FAQs
For Farmers

In this section you will find templates for plans and records required by the RWS and other tools and resources to help with the process of implementing the RWS. If you can’t find what you are looking for here, please contact us directly on respons@liewwood@textileexchange.org

RWS Farmers Guidebook

Records

- Body Condition Scores (Word)
- Mortality Records (Word)
- Lamb Mortality Records (Word)
- Injuries and Treatment Records (Word)
- Vaccination and Treatment Records (Word)
- Vaccination and Treatment Records Calendar Format (Word)
- Records of Shearing Injuries (Word)
- Transport Injury and Death Records (Word)
- Pesticide Application Records (Word)

Support Documents

- Euthanasia Decision Tree (PDF)
- Tail docking Standard Operating Procedure (PDF)
- Castration Standard Operating Procedure (PDF)
- Body Condition Scoring Guidance (PDF)
- Transport Guidance (PDF)
- Monitoring Point Guidance (PDF)
- Contractor Declaration (PDF)
- Lameness Scoring Guidance (PDF)
Communicating confidently to consumers about animal welfare and land health
Sheep welfare issues

Hanna Zedlacher, VIER PFOTEN International:

Animal welfare problems in the wool

© Tim Reckmann | pixelio.de

© VIER PFOTEN/klemencic
What is animal welfare?

Five Freedoms

• **1. Freedom from Hunger and Thirst** - by ready access to fresh water and a diet to maintain full health and vigour.

• **2. Freedom from Discomfort** - by providing an appropriate environment including shelter and a comfortable resting area.

• **3. Freedom from Pain, Injury or Disease** - by prevention or rapid diagnosis and treatment.

• **4. Freedom to Express Normal Behaviour** - by providing sufficient space, proper facilities and company of the animal's own kind.

• **5. Freedom from Fear and Distress** - by ensuring conditions and treatment which avoid mental suffering.

What is animal welfare?

Scientific approach

- Biological functioning
- Mental state
- Natural living

Why is animal welfare important?

• Animals are sentient beings, do feel pain and do suffer – our duty as human beings is to care for them

• Brand perspective:
  – Animal welfare extremely important to public
  – Part of brand reputation
Imports in animals and animal products

These products do not comply with European animal welfare standards and transparency on the origins of imported products is lacking.

- 94% think protecting the welfare of farm animals is important
- 82% think farm animals should be better protected than they are now
- 64% indicated that they would like to have more information about the treatment of farm animals in their country

Half of the Europeans look for labels to identify animal friendly produced products

Wool – a popular product

- Used for thousands of years
- Very versatile product with different qualities
  - warming, cooling, water-repellent

Wool considered as natural product, but what does that mean for the animals?
Mulesing

• Standard procedure in Australia: meat stripes cut out of breeches
• To prevent flystrike – sheep blowfly lays eggs in skin wrinkles, larvae are feeding on live animal
• Not performed in New Zealand, South Africa, America
Mulesing

• Alternatives
  – Less wrinkled sheep
  – Insect control
  – Improved management
Castration and Tail Docking

- Commonly performed in today’s wool producing farms
- Usually without pain relief
- Different methods (e.g. rubber ring), prolonged pain involved

© iStock | daverankine
Handling of animals

- During shearing: cuts, injuries – rough handling
- High lamb mortality
- Health problems (e.g. foot rot in sheep herds)
- Transport and live animal export (e.g. from Australia to Near East)
Role of Brands

• Brands have the power to transform supply chains and **therefore the lives of millions of animals**

• Available tools:
  – Executing a meaningful AW policy
  – Adhering to the strictest available AW standard
  – Going beyond standards
  – Taking responsibility rather than only relying on suppliers
  – Embracing alternatives to products of animal origin
Thank you!

hanna.zedlacher@vier-pfoten.org
Ricardo Fenton
Ovis 21
LAND HEALTH
EFFECTIVE ECOSYSTEM FUNCTION

- Water Cycle
- Mineral Cycle
- Community Dynamics
- Energy Flow
EFFECTIVE WATER CYCLE
Land should be managed so water is captured in the soil quickly and released slowly
MANAGE FOR

- Greatest amount of ground cover of perennial plants and litter
- Strong and varied root depth
- Soil organic carbon (SOC)
Maximizing the flow of nutrients through plants and soils. Biologically active, living soil, with adequate aeration and energy underground.
To sustain the abundance of organisms that make up the soil food web.
MANAGE FOR
● Maximum biodiversity of species
● Biological decay
● Maximum activity in the rhizosphere
● Strong deep root system
● Avoid synthetic fertilizers and pesticides
Green leafs, storing energy in the ground and capturing carbon
MANAGE FOR

● Greatest amount of ground cover
● Greatest area of green leaf
● Prolonging the growing season
The greater the diversity of species, the greater the complexity, which will lead to greater stability within the community.
MANAGE FOR

- Desirable transitions
- Favourable environment for desired species
- Perennial ground cover
There are methodologies available to assess ecosystem function.

These are proven in the field, cost effective and scientifically sound.

Soil carbon content and ecosystem function give an accurate outcome based benchmark on land management.
Environments can be represented on different ends of a scale depending on the degree that moisture is available to growing plants, how well humidity is distributed throughout the year, and how quickly dead vegetation breaks down.

![Brittleness Scale Diagram](image)

- **Rainforest**
  - 1: Tending non-brittle

- **Desert**
  - 10: Tending brittle
BRITTLENESS SCALE
Proper grazing is necessary in brittle tending environments for effective ecosystem function.
30 year exclosure in the Sub Andean Grassland
Grazing at low stocking rate.
Planned regenerative grazing.
No grazing for 30 years

Grazing

Regenerative Grazing
OVERGRAZING

● Has to do with time not with numbers

● Happens one plant at a time

● It is usually accompanied by over resting of other plants
OVERGRAZING

Of individual plants can only occur when one of two specific conditions exists:

1. Animals remain too long in a pasture or paddock under fast-growing conditions; or
2. Animals return to a pasture or paddock (and therefore its plants) too soon in periods of slow growth.
Atmospheric CO$_2$ at Mauna Loa Observatory

Scripps Institution of Oceanography
NOAA Earth System Research Laboratory

Global Warming

The world we know

Point of Disruption
75% of the 5 billion hectares of seasonally dry grasslands are severely degraded.
DRIVING POSITIVE CHANGE

There is a great potential for brands to be part of the change.

1. Effective communication to customers
2. Most importantly by their purchase / sourcing decisions.
¡MUCHAS GRACIAS!
REFERENCES

- [http://savory.global/platform/#online-ed](http://savory.global/platform/#online-ed)
- Foundation of Holistic Management EBooks 1-5
- Dr. Elaine Ingham. [www.soilfoodweb.com](http://www.soilfoodweb.com)
Family owned company. Long term vision - Thinking in generations.

Established in Rotterdam

1920

70 Countries

3500+ People
Our experience

Animal welfare
• Responsible Down Standard (RDS)
• Exporter Supply Chain Assurance Scheme Australia (ESCAS)
• GlobalGAP
• Organic

Supply Chain in textiles
• Organic Content Standard
• GOTS
• RDS
• Global Recycled Standard
• ........
• RWS Technical Group member

• RWS pilot audits in 5 countries

• RWS approved auditor in Australia
1. Application Submission
2. Quotation offer & contract
3. Document Preparation – system plan
4. Inspection/Audit
5. Report
6. Corrective Actions
7. Scope Certificate

Chain of Custody Principles met ✔

Ongoing: transaction certifications

6–8 weeks dependent on supply chain complexity and season

Chain of Custody Principles met?
Wool supply chain

Scope Certificates (SC)

Transaction Certificates (TC)
Audit

- Opening meeting
- On-site inspection
- Document check
- Verification of each claim, proof
- Interviews
- Closing meeting
- Report to certifier

Audit trail!!!
Audit frequency

- All sites at least once per year till last B2B transaction
- If more than 50 sites for CCS, extra 2% unannounced (48 hrs)

Exemptions from certifications:
- Trader with less than 10,000$ annual turnover

Exemption from yearly physical onsite audit:
- Low risk traders and brands: 1st year physical audit, then remote audit for two years.
- Contracted warehouses (no ownership of products) only shipping or repacking (not repackaging, changing label!).
- Post production brand certification exemption
Content Claim Standard

Garment Factory → Brand Warehouse → Wholesaler → Retailer

Certified

Not Certified
Post Production Brand Certification Exemptions

- Brand Network Certification (BNC): brand takes control on post production by an ICS
- Batch codes: permanent label attached to the final product
- 100% claim: all products certified

Brand gets SC. No outgoing TC needed.
Audit frequency based on risk assessment.
Binding documents

- The Responsible Wool Standard
- The RWS Farmer Guide Book
- Textile Exchange Content Claim Standard (TE CCS)
- Textile Exchange Content Claim Standard Implementation Manual
- The RWS Logo Use and Claims Guide (*coming soon*)

www.responsiblewool.org
http://controlunion.com/en/certifications
TE Content Claim Standard

• Chain of Custody requirements for all TE standards
• Maintain the identity of the RWS wool from farm till final product
• Verifies the amount of a given raw material in a product
• Third party auditing and certification
• Transaction certifications for each shipment

Full confidence wool carrying RWS logo comes from responsibly managed farms.
Principles of TE CCS

- Identification
- Full Segregation (during production and storage)
- Volume control
- Labelling
- Written procedures
- Records
Certified product entering the facility

Information needed:
• Name
• Address of the supplier
• Quantity of RWS
• Description of the product
• Reference to claims being made about the material along with any corresponding verification or certification

Mandatory documents:
• transaction certificate for all RWS inputs from supplier

Supporting documents:
• transport document
• invoice
Storage

The *storage of products* must be managed in order to segregate RWS products and ensure easy identification of lots.

- Avoid commingling.
- Identification

Finished products should be packed, labeled and sealed properly.
All shipments of RWS products must have a label stating:

- the name and address (city and country) of the producer
- the name and address (city and country) of the consignee
- the name of the product, including a reference to RWS content
- the name of the transporter
- reference to the RWS, the name and number of the CB
- the lot identification number
- quantity of products
- date of shipment

Optional: Accompanying document
Written procedures

- to ensure the integrity and identity of RWS products
- describing the processes from input till output
- describing points of risk
- the material flow diagram
- identification, segregation
- TC application, labelling
- roles and responsibilities
Resolution of noncompliances

ADMINISTRATIVE

NEW PHYSICAL VISIT

BEFORE THE DEADLINE

AUDITOR AND CERTIFIER
Scope certificate
## TRANSACTION CERTIFICATE
FOR RDC CERTIFIED PRODUCTS

<table>
<thead>
<tr>
<th>1. Body issuing the certificate (name and address)</th>
<th>2. Numbering code of the certification book</th>
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<tbody>
<tr>
<td>Council of the European Union (European Council)</td>
<td>R015 - CUC-02</td>
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<tr>
<td>Attention to the Ministry of Commerce of the European Union</td>
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<table>
<thead>
<tr>
<th>3. Name and address of the manufacturer (name and address)</th>
<th>4. Inscription code (name and address)</th>
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</thead>
<tbody>
<tr>
<td>China Bureau of Commerce</td>
<td>China Bureau of Commerce</td>
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</tbody>
</table>

<table>
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<tr>
<th>5. Name and address of the importer (name and address)</th>
<th>6. Country of dispatch</th>
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<tr>
<td>China Bureau of Commerce</td>
<td>China</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7. Name and address of the exporter (name and address)</th>
<th>8. Name and address of the importer (name and address)</th>
</tr>
</thead>
<tbody>
<tr>
<td>China Bureau of Commerce</td>
<td>China Bureau of Commerce</td>
</tr>
</tbody>
</table>

### 9. Product and shipment information

- 9A. RDS white goose down
  - Gross mass: 1200 kg
  - Net mass: 1200 kg
  - Container size: 45 x 45 x 25 cm
  - IMEI: 6243534567890
  - Material: Goose down
  - Quality: 90%
  - Standard number: 3050

### 10. Quality Make (g) / 11. Fill Make (g)

- Quality Make: 1200 g
- Fill Make: 1200 g

### 12. Certified %

- Certificate: 90%
- Standard: 80%

### 13. Certification of body issuing the certificate

This is to certify that the product described in this certificate has been produced in accordance with the RDS standard currently in force. The producer of the product has been certified in accordance with the RDS standard. Compliance with the standard is monitored regularly by its respected bodies and in local inspection.

### 14. Place and date of issue

Zaventum, October 13, 2014

Signature of the authorized person
On behalf of the Managing Director

Hans van den Heuvel
Certificator
Thank you for your attention!

Gyorgyi Acs Feketene

gacs@controlunion.com

http://certifications.controlunion.com
Example of RWS logo use on a hang tag.
Product-specific labeling

Example of RWS logo use on a website product description.
Can I Label My Products?

✔ Does the product contain 100% RWS wool?
✔ Is the seller in the last business to business transaction certified?
✔ Are the hangtags physically applied by a Certified Organization?
✔ Has the artwork been approved by the Certification Body?
Is my labeling correct?

Example of RWS logo use on a hang tag.
General marketing
General Marketing

“We are aiming to switch entirely to RWS-certified wool for our 2017 winter collection.”

“Our Brand plans to source all RWS Wool by Fall 2017.”

“Brand X supports the RWS and is committed to certification within the next three years.”
Process for RWS Labeling

1. Read RWS Logo Use and Claims Guide
2. Determine preference for labeling
3. Determine if all certification is in place
4. Request logos
   - Certified Organizations: contact Certification Body
   - Non-certified organizations: contact Certified Supplier
5. Submit artwork for approval to the Certification Body
6. Apply artwork to products (physical application of product labeling by certified organizations only)
# Questions about RWS Claims

<table>
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<tr>
<th>Organization</th>
<th>Type of Claim</th>
<th>Contact</th>
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<tbody>
<tr>
<td>Certified Organization</td>
<td>Product Specific Claim</td>
<td>Certification Body</td>
</tr>
<tr>
<td>Certified Organization</td>
<td>General Marketing Claim</td>
<td>Certification Body</td>
</tr>
<tr>
<td>Non-Certified Organization</td>
<td>Product Specific Claim</td>
<td>Certification Body of Supplier</td>
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<tr>
<td>Non-Certified Organization</td>
<td>General Marketing Claim</td>
<td>Certification Body of Supplier or Textile Exchange</td>
</tr>
<tr>
<td>Certification Body</td>
<td>All Claims</td>
<td>Textile Exchange</td>
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</table>
Responsible Wool Standard
responsiblewool.org
Responsible Wool Standard
RWS Sourcing Considerations
Working with the RWS supply chain

• Principles of working with the RWS supply chain
• Conventional supply chain
• The reality
• Targets, efficiency, costs, planning and timing
• Commitments and the key to success
• Conclusions
Work with your Supply Chain

Collaboration

Commitment

Integrity

© TextileExchange
Information flow is disrupted; many companies handling the wool and blending qualities to meet price. Production information is kept internally and not normally made available to the production chain. Accountability is difficult.
RWS – The reality

- There will only be a **limited number of RWS certified farms** to source from.
- There may only be a **limited amount of wool available at each RWS farm** that suits a given product’s requirements.
- Specific bales of wool will need to be purchased to meet the product requirements; this means **that farmers may not have buyers for all of their certified wool**, especially as the standard is getting started.
- As RWS wool is not yet stocked within the value chain, the company will need to establish **longer lead times** to ensure their supply.
- A decision will need to be made about **who will hold onto the wool** until it is needed.
- A wool pipeline is generally **18 months** from the farm to the shelf and there is significant swings in greasy wool prices during that time.
- Given the long lead times involved, **prices can vary** from the time that the commitment is made to the time that the wool is sold. This will need to be addressed through contracts and mutual understandings.
- There will have to be a process to determine who is **responsible for quality** in the event of any issues. Quality control is critical.
Setting Targets

Realistic timelines

Commitments to your vendors

25%  50%  75%  100%

Planned implementation

Pricing

© TextileExchange
Work with your supply chain efficiently

Supply chain facilitation

Demand signals/forecasts

Long Term Contracts

Collaboration
Fair Pricing
Determining Volumes

______ units x ______ grams

= ______ kg fabric x ______ gsm

= ______ kg yarn

= ______ kg clean wool

= ______ kg greasy wool

= ______ bales

= ______ sheep (approximate)
Determining Volumes based on 160gsm t-shirt

100000 units x 330 grams

= 33000 kg fabric x 1m * 1.5m width
fabric 160 gsm

= 35000 kg yarn

= 37450 kg clean wool

= 54000 kg greasy wool

= 300 180 kilogram bales

= 10500 sheep (approximate)
Determining Volumes based on 160gsm t-shirt

100000 units x 330 grams = 33000Kg fabric

33000 kg fabric x 1m * 1.5m width fabric 160 gsm = 35000kg yarn

35000 kg yarn = 36750 kg clean wool

= 37450 kg clean wool

= 54000 kg greasy wool

= 300 180 kilogram bales

= 10500 sheep (approximate)
Work sheet production planning
Setting Timing Expectations

- Brand demand signal
- Identify potential RWS farms
- Farmer training/ICS
- Audits
- Certification

- Farmers shear once a year
- Shearing can take many weeks
- Wool then needs to be transported from farm to warehouse
- The wool is then tested and appraised for quality
- The audit will take a plus time for certification
Lowering Risk in the RWS supply chain

Brand engages with supply chain to provide forecasts and then a commitment to yarn orders

Wool buyers offer forward contracts to growers

Spinner commits to sourcing wool

Buffer stocks
Value Chain Commitments Needed

- Open collaboration with brand partners
- Inventory control
- Communication of recipes for yarn types*
- Communication of clean top and greasy wool specifications from top maker to greasy wool supplier
- Pricing discovery between farmers and wool buyers / brands
- Buffer stocks needed for lead time reduction
Brand Success Factors

- Set targets and timelines for RWS adoption
- Make a firm commitment
- Communicate clearly and early to supply chain
- Commit to purchase a base amount of RWS wool
- Consider long term, fair pricing
- Certify to the end of the supply chain
- Use the logo, communicate to consumers
Conclusions

• For the RWS wool to be economically available **economies of scale** must be reached, quality control measures implemented and inventory controls applied

• RWS will **change** the way wool moves through a value chain

• There may be a **resistance** from the value chain to change

• **Lead times** will be challenging until a critical mass of RWS wool can be made available

• Someone must **facilitate** the movement of wool at the start

• The **price** of the wool, responsibility for inventory and for quality must be understood up front
Thank you

stuart@continuumtextiles.com

www.continuumtextiles.com
Strategies for sourcing RWS fiber into your supply chain
Strategies for sourcing RWS fiber into your supply chain

Moderator: Anne Gillespie, Textile Exchange

Panelists:
- Pedro Otegui, Lanas Trinidad
- Eric Durand, Lempriere
- Alberto Rossi, Chargeurs
- Dave Maslen, New Zealand Merino (video)
LEMPRIERE WOOL Ltd.

FORGING NEW RELATIONSHIPS & NEW PATHS FOR WOOL
Who are We?

- Started in 1857
- Run by Lempriere family for 5 generations
- Started in Australia and expanded globally between 1990 to 2015
- Offices in Australia / NZ / South Africa / Argentina / USA / Bulgaria / China / India
- Active in all segments: fine / medium / coarse
- Largest wool trader in the world – 70,000 tons traded per year
- Moved to manufacturing in last 5 years
- Very wide network of purchasing and in-depth knowledge of grower mentality
- Developed wool pools in Australia / South Africa in 2007-2010 under the TMC banner (The merino company)
Lempriere Topmaking

• Bought a coming mill in India in 2008
• Mill became GOTS certified in 2011.
• APEO and NPEO free

• In 2014 started project in Bulgaria
• Mill now running. Brand new effluent treatment plant
• APEO and NPEO free
• Planning Oekotex / Euro flower / GOTS certification next
What does RWS mean for us?

- Constant requests from European clients for:
  - Animal welfare
  - Non mulesing
  - Farm management
  - APEO + NPEO

- This is not the case from other countries and only applies to our topmaking business.
Where do we stand on “Responsible Wool”

- Important to define standard
- NZM with ZQ so far only credible standard
- Non Mulesing is offered only with growers statutory declaration and limited audit
- Everyone offers non mulesed wool but who can prove it?
- Hard to have integrity in the chain
Eric Durand Bio

• Started in the wool business in 1991 in NZ – Chargeurs wool
• Buyer in Australia in 1993 - chargeurs wool
• Topmaker in france Chargeurs wool 1994-1996
• Commercial manager, jamestown USA 1997 -2004 Chargeurs
• Trading manager Lempriere USA 2004-2006
• Trading Manager Lempriere Australia 2007 – 2015
• General manager Lempriere Bulgaria 2015 –

• Passionate about wool, all wools, from anywhere. Frustrated by the lack of progress in our industry and our inwards looking attitude.
TODAY’S GOALS, …IN 9 SLIDES

1. Chargeurs Wool: Brief Company Presentation
2. Which function we cover in Supply Chain
3. Animal Welfare and Land Management
4. Implement RWS into our Supply Chain
5. How Brands could access to RWS Wool Top

Control YOUR Wool Sourcing

Munich, 18 July 2016
Chargeurs Wool is a French Listed Group

A GLOBAL INDUSTRIAL GROUP

- Listed on the French Stock Market
- €500m Turnover in 2015
- 1,500 employees in 32 countries

Chargeurs is in the Wool Business since late 80’s

Chargeurs Wool already has **over 20 years** of successful experience in Supply Chain
1A. BRIEF COMPANY PRESENTATION

Chargeurs Wool Sourcing Area and Combing Mills

- USA
- Uruguay
- Argentina
- South Africa
- Australia
- New Zealand

Legend:
- Sourcing Countries
- Processing units
2. WHICH FUNCTION OF SUPPLY CHAIN WE COVER

« Chargeurs Wool » is the first ring of the chain

- High Price « pressure »

- Wool Growing
  - Sheep raising
  - Sheep shearing

- Topmaking
  - Combing greasy wool into wool tops

- Spinning
  - Transforming wool tops into wool yarn

- Weaving & Knitting
  - Transforming wool yarn into fabrics (weaving or Knitting)

- Apparel Industry
  - Transforming fabrics into wool textiles (apparel, ...)

- Brand & Retailing
  - Selling textiles to final customers
3. ANIMAL WELFARE AND LAND MANAGEMENT

Sheep and Land are the MAIN ASSET for all the Wool Industry
We all need to work more and better on it!

Chargeurs Wool proposal:

1. We have to establish, together with Textile Exchange, reachable goals, based on unique criteria, but adapted to the realities of the different countries.

2. We need to have the growers certified by reliable Third Party.

3. We have to recognize a «price premium» to the wool coming from the best practice of farmers to allow them to keep investing.
4A. HOW WE WANT TO IMPLEMENT RWS IN OUR SUPPLY CHAIN

CONVENTIONAL WOOL PRODUCTION CHAIN

BRAND / RETAIL

Knitwear Factory

Apparel Manufacturer

Fabric Manufacturer (Weaving Mill)

Yarn Manufacturer (Spinning Mill)

Chargeurs Wool

Different Topmaking

Different Wooltop Merchant

GREASY WOOL «world» (Different Quality, Origin, Growers, Packaging, PP Contamination, Animal Welfare and Land Management, etc)

Change of ownership

Change of ownership

Change of ownership

Change of ownership

WOOL FIBERS PROCESSING DIRECTION
4B. HOW WE WANT TO IMPLEMENT RWS IN OUR SUPPLY CHAIN

CONVENTIONAL WOOL PRODUCTION CHAIN

The Result:

- «Commodity Business» based ONLY on prices
- Information Flow disrupted: all the information about wool, animal and process are kept internal
- Too many companies handling the wool and blending the quality to meet price points
- THE FINAL USER NEVER KNOWS what is «really» IN the products

These Concepts are NOT part of the chain:

- TRACEABILITY
- SUSTAINABILITY
- ANIMAL WELFARE
- CARE OF ENVIRONMENT (Land Management Practice)
- FACTORY AND LABOUR CONDITIONS
5. HOW BRANDS COULD ACCESS TO RWS TOPS

We Want to Change the present Business Model, to allow the BRAND to control their sourcing

- BRAND / RETAIL
  - Knitwear Factory
  - Apparel Manufacturer
  - Fabric Manufacturer (Weaving Mill - ....)
  - Yarn Manufacturer (Spinning Mill – ....)

- Chargeurs Wool
  - Different Topmaking
  - Different Wooltop Merchant

- GREASY WOOL
  (Different Quality, Origin, Growers, Packaging, PP Contamination, etc)

- Growers Certification

- WOOL FIBERS PROCESSING DIRECTION

- CONTROLLED CHANGE OF OWNERSHIP
Thank you for your attention!

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Mobile: +39 335 7544937
Textile Exchange
RWS meeting
Münich, July 18th 2016

Speaker:
Pedro Otegui
Lanas Trinidad Uruguay

Lanas Trinidad
URUGUAY NATURAL - A country of green grasslands

- 3.4 million inhabitants
- 98% Literacy rate
- 187 thousand square kilometers
- 17 millions hectares
- 7 millions heads - sheep
- 11 millions heads - cattle
- 2 million hectares - forestry
- 2,2 million hectares - agriculture

Soccer
- 2 times World Cup Champions
- 15 times Champions of South American Cup
URUGUAY NATURAL - A country of green grasslands

- Family owned farms for many decades.
- Average size: 1000-1500 hectares.
- 100% production in an open air environment
- Good pastures, mostly from native species. Water, shelter and shadow.
- Small paddocks. Average size: 150-200 hectares.
- No snow, deserts, no strong winds nor mountains.
- 1,300 mm of rainfall/year.
- Summer: Max 30 ºC. Winter: Min 5 ºC.
URUGUAY NATURAL - A country of green grasslands

- Sheep population 7 million heads: Australian merino, Ideal/Polwarth, Corriedale (Fineness 18-30 microns) – Tally Hi shearing

- Permananet control and supervision of the sheep: either by the farm owner, manager, veterinarians, agricultural engineers and gauchos.

- No mules operation is practiced in Uruguay.

- Very good/excellent genetic.
  - Rams used under natural mating or artificial insemination.
  - Scanning of ewes and preferential management of pregnant sheep.

- Animals live like in a 5 star hotel
**URUGUAY NATURAL -** A country of green grasslands

- The Uruguayan Wool Secretariat (SUL) funded by farmers and Agriculture Research Institute (INIA) funded by the government and farmers, are the ones working on research, development and technology transfer.

- SUL, INIA and Wool Exporters Association are developing a Guide for Animal Welfare. For Uruguay, animal welfare is a highly important and delicate matter, a top priority. [www.woolsofuruguay.com](http://www.woolsofuruguay.com)

- Uruguay is member of International Wool Textile Organization (IWTO) and fully supports and abides the 2013 Guidelines for Animal Welfare, known as “The Green Book”.

- Uruguay is the second wool tops exporter worldwide.
URUGUAY NATURAL - Beyond animal welfare

Other important issues:

- Governmental land management program for agriculture.

- 100% Beef and Dairy Cattle with full traceability.
  - Use of hormones and growth promoters are strictly forbidden by law.

- 100% Rice plantations use irrigation in rotation with cultivated pastures.

- Forests:
  - 17% native and protected reserves
  - 83% certified commercial private planted trees
URUGUAY NATURAL - Beyond animal welfare

Other important issues:

☑ Uruguay member of International Labour Organization (ILO) since 1919.

☑ Strict pollution control.

☑ Renewable energies: hydroelectric dams, eolic wind mills and biomass.

☑ Uruguay does not burn coal.

☑ Nuclear plants are forbidden by law.
LANAS TRINIDAD URUGUAY
Adding value in the supply chain

- A company with **100 years Heritage**

- Continued and direct relationship with farmers, no auction system.

- **Full traceability** from the farm to the wool tops container.

- Do you know that for one container of **25 tons** of wool tops you need the wool coming from approximately **10,000** sheep?
LANAS TRINIDAD is a proud member of the wool family around the world.

Thank you very much for your attention.

Please visit our website www.lanastrinidad.com and select your preferred language to watch our video.
Dave Maslen
New Zealand Merino

Watch presentation here:
https://youtu.be/d1g0HOGmUTg