

# Due diligence requirements for post-consumer recycled (PCR) content in garments

Side Sessions 2

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## Agenda

- 1 Introduction and problem definition (**Sympany, FFact, HPPI**)
  - a. Recycle European post-consumer textiles in India - Erica van Doorn
  - b. Social conditions in India and the need for a standard - Frank Hopstaken
  - c. Survey on CSR in Panipat, India December 2020-February 2021 - Helle Lund
- 2 Perspective of **SAVE**: application of due diligence requirements in India - Mary Viyakula
- 3 Perspective of **OECD**: applying the guidelines - Dorothy Lovell
- 4 Discussion: from guidelines to a level playing field for PCR-content - Frank Hopstaken

Sympany collects post-consumer textiles in the Netherlands (20 million kg/y)

The non wearable textiles is partly sold to India for recycling (approx. 3%)





A social and sustainability supply chain assessment was carried out in 2019

The next step is:

- Chain of Custody up to the sorting and recycling industry in Panipat (India)
- Investigation how to improve social conditions and prevent child labor
- Schooling system for children from the textile recycling industry
- Production of yarn with



**Circle  
Yarn  
Label**

and up to 75% PCR-content



ISO & GRS-certified



Sympany considers to monitor the improvements in social conditions taking the criteria of SA8000 as a reference



1 No child labor - 2 No forced or compulsory labor - 3 Health and Safety - 4 Freedom of Association & Right to Collective Bargaining - 5 No discrimination - 6 Disciplinary Practices - 7 Working Hours - 8 Remuneration - 9 Management System

*PCR-labelled content in yarns for making new garments*

We need to address the following questions:

- *Which global monitoring system is suitable for this chain ?*
- *How to inform consumers properly on the social conditions ?*
- *How to guarantee a level playing field ?*
- *Can SA8000 certification scheme be used to fulfill OECD due diligence guidelines ?*

SA8000		OECD - due diligence guidance Garment sector	OECD - guidelines for ME
1	No child labour	Section II - module 1	V - 1c
2	No forced labour	Section II - module 3	V - 1d
3	Health and safety	Section II - module 5	V - 4a
4	Freedom of association	Section II - module 6	V - 1a, 1b, 2, 5-8
5	No discrimination	Section II - module 2 - Sexual harassment	V - 1e
6	Disciplinary practices	Section II - module 2 - Violence in the workplace	
7	Working hours	Section II - module 4	
8	Fair remuneration (living wage)	Section II - module 7	
9	Management system	Section I - core due diligence	II - 10 , III

ME: Multinational Enterprises

## Remarks:

- SA8000 criteria fit the OECD guidelines and partly covered in the ME guidelines
- OECD guidelines are non-binding (consistent with ILO standards)
- SA8000 is a certification scheme
- OECD uses transparant progress reporting

Results of the Corporate Social Responsibility survey			
Topic		Survey	Result
1	Participation	1 Tier 1 partner and 25 Tier 2 and 3 suppliers	Letters of Intent
2	Worker survey	518 workers forms (of 1800 total workforce)	Data on 5 SA-topics
3	Children survey	1332 survey: 1.061 of age 5-16, 271 of age 0-5	222 out of school
4	Child labor	Individual survey on situation	48 children work, 4,5%
5	Policy in place	General unawareness of CSR and standards	1 system found
6	Contracts	Check on payments (monthly - daily)	75% daily wages
7	Health and safety condition	Light, water, toilets, ventilations, first aid	average to good
8	Wages	Check on wages (min.-max. and average)	partly below living wage



Organizing schooling is important to combat Child Labor





- Most workers are migrant workers
- 75% of the workers are “daily-wage-workers” = workers with no employment contract
- 60% of the workers are illiterate
- Smaller facilities in the supply chain have more challenges than Tier 1 partner
  - lunch break area, where workers can eat or have tea
  - care taking for younger children (age 0-5) accompanying workers
  - proper ventilation
- Checking procedures (ID, age, safety, environment) are limited





### Perspective of **SAVE**: applying due diligence requirements in India - Mary Viyakula

#### **Social compliance**

- Child labour and forced labour in the supply chain
- Continuously monitoring working hours & wages, overtime, workplace safety through document verification and interaction with workers
- Role of local union and labour rights activists
- Credibility of certification scheme and agency


### Stakeholder interaction

- Interaction with top managers/owners about sustainable trading
- Attitude & expertise of middle managers and related consultants
- Multi-stakeholder process of addressing social conditions in the workplace:  
from top level to workers, trade unions, certification agencies and brands

Perspective of OECD: applying the guidelines - Dorothy Lovell

**Aim: the circular textile chain complies with OECD guidelines**

### Conclusion and questions :

1. Implementing SA8000 implies also addressing OECD guidelines?
2. If we do not succeed in implementing SA8000, because reaching the standards is a challenge for Tier 2 and 3 suppliers, should we consider to focus on 'reporting the progress on the due diligence criteria of OECD'?
3. Is the proposed approach sufficient for building a credible Circle Yarn Label?The logo for Circle Yarn Label, featuring a stylized blue 'C' shape with three horizontal lines inside, and the text 'Circle Yarn Label' in blue to its right.
4. What method/approach/standard is needed to guarantee a level playing field?



# Together we make social accountability visible

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