



Circular Living Standards: Preloved Certified



Version 1.0

November 2024



Preamble

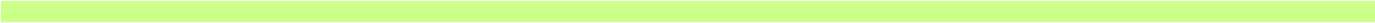
The circular economy is a systems approach that tackles the root causes of global challenges such as climate change, biodiversity loss, and pollution, while creating opportunities for better growth. The primary goal of the circular economy is to maximize the usage of existing products to reduce the need for new production. This includes a greater emphasis on the various business models such as resale, rental, and repair that facilitate prolonged use and reuse of products. The circular economy facilitates the transition from take-make-waste linear economy to one that is underpinned by three principles, all driven by design: eliminate waste and pollution, circulate products and materials, and regenerate nature. The circular economy promotes maintaining, sharing, reusing, repairing, refurbishing, remanufacturing, and finally recycling existing materials and products so they can be kept in use at their highest value for as long as possible. To build an economy that can thrive long-term, economic activity needs to be decoupled from the consumption of finite virgin resources.

In a circular economy for fashion, products are used more, are made to be made again, and are made from safe and recycled or renewable inputs. Design is a critical lever, in which product design, development, and manufacturing products to be durable and can remain in circulation. Coupled with circular business models (CBMs, including rental, resale, repair and remaking), these have the potential to offer a higher return on investment for businesses. For example, via increasing the utilization of existing product assets, especially in the face of growing economic and resource volatility and geopolitical instability. Additionally, scaling of CBMs will support increasing organizational resilience to global crises by establishing diversified revenue streams.

Keeping products in use can contribute to environmental benefits, including less extraction of virgin materials and reduced manufacturing impacts. Reuse is the preferred option for keeping products and materials in use. Therefore, the resale of pre-owned products has the potential to be scaled across sectors. Pre-owned is gaining traction as it circulates used and preloved products back into consumer use, displacing the manufacture of new products. Keeping products in use can displace the need for new production, reducing the negative impacts on biodiversity and climate associated with virgin material production, processing, and disposal.

This standard was created to recognize the benefits of sustainable resale models by establishing clear conditions for the labeling, sale and marketing of preloved items – products that have been sold to additional user(s) after being owned and used by their original user. The focus of this standard, its requirements, and the extensive research and deliberation, that resulted in its creation, is driving the environmental benefits of preloved products (compared to linear products). By shifting consumption to preloved products, much of the impact associated with the raw material production, manufacture, and end-of-life disposal of a product in a linear economy can be avoided. The resulting standard unifies the grading of preloved products, streamlining business and customer reuse of products.

The creation of this standard was informed by a screening Lifecycle Assessment (LCA) which provided a quantitative understanding of the ways in which the purchase of preowned items represents avoided impact in numerous impact categories. To assess the benefits of purchasing preowned products, they need to be measured against their linear economy counterparts – new items. This analysis also requires a clear understanding of the displacement rate of preowned



products (the extent to which the purchase of a preowned product displaces the purchase of a new product) and the remaining service life of a preowned product. In this standard, the product's condition is used as a proxy for remaining service life.

The LCA screenings were informed by ISO 14040¹ and 14044² requirements, and included a full LCA literature review, linear life cycle inventory modeling, circular life cycle inventory modeling, impact calculation and sensitivity analysis. The LCA provides a quantitative comparison between the impact of purchasing new vs. preowned products in the following impact categories: Global warming, water consumption, energy demand, and landfill avoided. Additionally, the LCA examines the impact of all major transportation methods and distances to ensure that the impacts of transportation do not negate avoided impact in the categories analyzed. For apparel, footwear and handbags we found that no restriction of transportation method or distance is necessary, since all methods and possible global distances fall within the limits established.

This standard does not set requirements around the conditions of the product's original production, or any factors outside the conditions of its resale sourcing, handling and marketing. This standard also does not set requirements around product packaging, as it typically represents a negligible portion of a preloved product's overall footprint.

1. General

1.1 Purpose

The purpose of this standard is to recognize the reduction in negative environmental impacts associated with products that have been resold to an additional user(s). The standard establishes a set of criteria related to the evaluation, handling, and sale of the products, developed and reviewed through a multi-stakeholder process involving industry and NGO representatives. The standard also establishes a clear scope of product categories and resale models eligible for this recognition, excluding categories and resale models where reselling would likely not result in a reduction of negative environmental impacts, have not been validated by robust lifecycle analyses and consumer behavior research, or would introduce safety or product integrity risks.

1.2 Scope

This standard applies to retailers, brands and marketplaces that offer preloved consumer products that are resold to additional consumers in the United States, United Kingdom and the European Union. Products sold in physical stores or online are eligible for recognition. This standard is currently restricted to the following types of products: Apparel, Footwear, and Bags.

This standard applies to products that have been previously used by a consumer. Products that are returned to the seller functionally unused, such as those sold as "open box" or "new with tags," counterfeit or unauthorized products, damaged box products, overstock, prototypes and samples are not eligible for certification under this standard.

Eligible product types for each category are listed in Annex A to this standard.

1.3 Scope Expansion

The scope expressed in 1.2 may be expanded to additional product types by presentation of Lifecycle Assessment (LCA) and consumer behavior data that demonstrate that the product types have a reduced environmental impact and meet the procedures and criteria managed by the scheme owner. Such evaluation shall also include Transportation Impact values and detailed grading criteria for the product type in an associated Annex to this standard.

1.4 Continuous Improvement

The intent of the authors of this standard is for it to continually evolve based on material innovations, changing technologies, stakeholder feedback, and changes to consumer behavior and market conditions, in order to drive environmental benefits and support the industry towards more sustainable resale.

2. Normative References

The following documents contain requirements that, by reference in this text, constitute requirements of this standard. At the time of publication, the indicated editions were valid. All of the documents are subject to revision and parties are encouraged to investigate the possibility of applying the recent editions of the documents indicated below. The most recent published edition of the document shall be used for undated references.

"Resellers Guide to Selling Safer Products" United States Consumer Product Safety Commission.

European Commission General Product Safety Directive.

United Kingdom General Product Safety Regulations.

3. Definitions

- 3.1 Apparel:** any costume or article of clothing or covering for any part of the body worn or intended to be worn by individuals.
- 3.2 Attestation:** written documentation verifying conformance with certain requirements of the standard, validated by the certification body.
- 3.3 Counterfeit or unauthorized products:** Products that are counterfeit or unauthorized copies of genuine products, with questionable or unknown origin and previous ownership history.
- 3.4 Damage:** evident physical harm caused to an object which may impact its value, usefulness or normal function.
- 3.5 Damaged box products:** products where the outer packaging or box has been damaged, but the product itself is new, unused, and in its original condition.
- 3.6 Demonstration or display models:** products that have been used for demonstration purposes in retail stores or showrooms but have not been owned or used by individual consumers.
- 3.7 Footwear:** all articles of clothing designed to protect or cover the foot, with a fixed outer sole which comes into contact with the ground.
- 3.8 Label:** an informational attachment to an item that is not intended to be removed prior to product use. Examples may include tags sewn into apparel items containing brand name, care instructions, and other product information.
- 3.9 Marketplace:** an online platform that facilitates sales between sellers and buyers of products. The item may be stored and distributed by the marketplace, or transported directly from seller to buyer.
- 3.10 New with Tags:** products that are brand new, unused, and still have their original tags attached, indicating that they have never been owned or used by a consumer.
- 3.11 Open Box:** products that have been removed from their original packaging but have never been used or owned by a consumer.
- 3.12 Overstock or excess inventory:** Products that have been sitting in warehouses or retail stores for an extended period but have never been owned or used by consumers.
- 3.13 Preloved:** a product that has been previously owned and used by an individual consumer.
- 3.14 Prototypes or samples:** Products that have been created as prototypes, samples, or test units during the development or manufacturing process but have not been owned or used by consumers.
- 3.15 Rental:** an item for which a consumer pays an amount for its periodic use, without taking formal ownership of the item.

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- 3.16 Returns:** Products that have been purchased by a customer, potentially used or owned for a short period, and then returned to the retailer or manufacturer.
 - 3.17 Resale:** the sale of a product that has been previously owned and used by an individual consumer.
 - 3.18 Retailer:** a person, shop or business that sells goods to the public, at either physical locations ("brick and mortar") and/or via online sales (e-commerce)
 - 3.19 Scheme owner:** Person or organization responsible for the development, maintenance and deployment of a conformity assessment system or certification scheme.
 - 3.20 Service Life:** life span after which the apparel starts losing its quality and becomes worn, torn, faded or bleached out etc.
 - 3.21 Tag:** An informational attachment to an item intended to be removed prior to use, often containing pricing or product information.
 - 3.22 Used:** a product that has been previously utilized by an individual consumer for its intended purpose, potentially resulting in some amount of wear to the product.
 - 3.23 Wear:** damage or deterioration to a product caused by its repeated use

4. Requirements for preloved products

4.1 Product origin requirements for preloved products

This section requires that products certified under this standard be verified to be previously owned, and that products transportation impacts do not negate the primary avoided impacts of purchasing preowned products. Establishing that a product has been previously used is critical to the standards, since unused products are functionally different than used products, as they have not entered their first use and are still subject to their initial production impact. Unused products are not included in the LCA on which this standard is based and are accordingly excluded.

4.1.1 Verification of previous purchase

The retailer of the preloved product shall ensure, through attestation from the product supplier (whether the supplier is an individual consumer or another business), that the product has been previously purchased, unpackaged and used by a user. Products that are returned to the seller functionally unused, such as those sold as "open box" or "new with tags," counterfeit or unauthorized products, damaged box products, overstock, prototypes and samples are not eligible for certification under this standard.

4.1.2 Product transportation footprint

The transportation mode and distance of the product – from original owner to seller and from seller to buyer – are evaluated to establish thresholds to ensure that the negative impact of transportation does not outweigh the reduction in negative impacts resulting from purchasing a preloved product. The retailer shall ensure that the transportation mode and distance does not exceed the limits set forth in the table for the product categories in the corresponding Annex to this standard. If transportation mode or distance is not able to be established, then the product shall conform to the smallest transportation limit for the product type.

In cases where the seller's full operational geography falls within the transportation limits laid out in the Annex, no additional attestation or verification is necessary. If, for a given product type, all transportation limits are sufficiently high as to be immaterial to the evaluation of products under this standard, then no additional evaluation or verification of transportation distance is necessary.

4.1.2(a) *Product types covered in Annex A*

For product types covered by Annex A of this standard, no additional evaluation or verification of transportation distances is necessary.

4.2 Product condition and safety requirements for preloved products

This section requires that resellers have credible and consistent condition evaluation systems to ensure that products certified under the standard are assigned to a grade or condition defined in an annex to this standard. Grading systems are critical because product condition serves as a reliable predictor of its remaining service life and displacement rate. Products in better condition will last longer and offset a greater proportion of the purchase of a new product. This section also requires that product be validated as safe and compliant with all relevant regulatory requirements.

4.2.1 Reseller product condition evaluation systems

The product shall be subject to a standardized system for evaluating and grading preloved items based on their condition. The system must have specific designations for differing levels of product condition, and clearly articulate the evaluation criteria for each designation. Each reseller's grading system shall be mapped by the certification body to the grading levels defined in Annex A of this standard.

4.2.2 Product condition

The product shall be in Excellent, Very Good or Good condition. The product shall be without any major marks, blemishes, holes, or other damage. The product shall be clean and free of dirt or debris. The product shall be laundered and/or cleaned where applicable. Some signs of wear are permissible, but major defects that would impact the appearance, utility and/or function of the product are not allowed. See section 3 of this standard for detailed definitions of each condition level.

4.2.3 Exclusion of unused products

Products that are returned to the seller functionally unused, such as those sold as "open box" or "new with tags," counterfeit or unauthorized products, damaged box products, overstock, prototypes and samples are not eligible for certification under this standard.

4.2.4 Product safety

The product, when used as intended, shall be safe for consumer use. Any buttons, zippers, pulls or other attachments must be securely attached to the product. Any moving parts should move freely and normally, and any paint, coatings or covering should be in good condition without peeling or major blemishes.

4.2.5 Regulatory compliance

The product must comply with any applicable regulations for products in the jurisdiction in which it is being sold.

4.2.6 Product labels

Original product labels affixed to the product during manufacture, detailing sizing, product composition, care instructions and country of origin shall remain attached to the product if required in the jurisdiction in which it is sold.

4.3 Consumer marketing claims for preloved products

Consumer-facing marketing claims must transparently disclose that the product is previously owned and used. The use of the "Preloved Certified" seal is allowed on packaging, product webpages and related materials subject to a licensing agreement between the scheme owner and the certified organization and additional brand guidelines provided by the scheme owner.

ANNEX A

1. Eligible Product Types

Backpack	Blazer	Blouse
Boots	Coat	Corset
Dress	Earmuff	Gloves
Handbag	Hat	Headwear
Jacket	Jeans	Jumpsuit
Leggings	Outerwear	Overalls
Pyjamas	Pants	Sandals
Scarf	Shirt	Shoes
Shorts	Skirt	Slippers
Sportswear	Sweater	Sweatshirt
Trousers	T-shirt	Wallet
Vest		

2. Grading Definitions

Section 4.2.1 of this standard requires the following:

The product shall be subject to a standardized system for evaluating and grading preloved items based on their condition. The system must have specific designations for differing levels of product condition, and clearly articulate the evaluation criteria for each designation. Each reseller's grading system shall be mapped by the certification body to the grading levels defined in this annex.

This annex is intended to provide more detailed guidance on grading systems and serve as a tool for certification bodies to map each new certified entity's grading system and each product type to the levels described in section 3.2 of this standard.

Grade	Definition
Excellent	A product that shows signs of wear consistent with limited use and is fully functional. It has no damage, defects, and has no cosmetic imperfections. All original or essential accessories are included.
Very Good	A product that shows signs of wear consistent with some use and is fully functional. It has no significant damage but can show slight signs of wear and/or minor cosmetic imperfections. Product may be missing some non-essential accessories.
Good	A product that shows signs of wear consistent with regular use and is functional. It has no significant damage but can show signs of wear and/or moderate cosmetic imperfections. Product may be missing some non-essential accessories.

3. Product Transportation Footprint

The transportation mode and distance of the product – from original owner to seller and from seller to buyer - must be evaluated to establish that the negative impact of transportation does not outweigh the reduction in negative impacts resulting from purchasing a preloved product. The retailer shall ensure that the transportation mode and distance does not exceed the limits set forth in the table for the product categories in the corresponding Annex to this standard. If transportation mode or distance is not able to be established, then the shortest distance for the product type below will be assumed. For apparel and footwear, no additional attestation is required due to the high limits in the table below.

Product types	Transport modes & distance (km)			
	Air	Road	Rail	Sea
Apparel	25,308	201,250	483,583	2,134,975
Footwear	22,870	197,757	443,610	2,084,573



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