Guidance: Auditing During the COVID-19 Pandemic

Textile Exchange published *ASR-109 Auditing in Cases of Force Majeure* in February 2020 as a response to the earlier stages of the COVID-19 pandemic. While this policy has been written for cases of force majeure, it has become apparent that the situation with COVID-19 is having an impact on an unprecedented scale.

Textile Exchange's intent is that both auditors and certification bodies follow all public health and travel restrictions or advisories, and also that no certified organization will lose its certification due to auditing delays from COVID-19. As the situation continues into 2022, Textile Exchange recognizes a need for an update to the allowable options for certification bodies and for organizations.

Certification bodies are encouraged to proactively monitor the situation and provide updates to Textile Exchange, including news of any emerging circumstances which may require a change in this guidance.

This policy takes effect January 1, 2022 and replaces V3.0.

Section A - Emergency Situation

A1. Definition

A1.1 For the purposes of this policy, references to whether an audit can or cannot be conducted following standard criteria refer to the possibility of the audit being conducted while respecting the following:

> **A1.1.1** All public health directives issued by national or sub-national governments, or by the World Health Organization;
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> **A1.1.2** All travel restrictions or advisories put in place by applicable national governments;
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> **A1.1.3** Closures of organizations, including a switch to employees working from home (excluding cases where remote audits are normally permitted);

A1.1.4 Organizations banning outside visitors, provided that there is no indication that the ban is in place to avoid an audit; and

A1.1.5 Reasonable health or self-isolation precautions which are recommended for the organization's area at the time when the audit would occur.

A1.2 Textile Exchange will monitor the situation globally as it evolves and may declare that auditing following standard procedures or deferred audits are expected to occur by a specified time.

A1.3 For the purposes of this policy, *trader* refers to an organization/site which takes legal but not physical possession of certified products, and *distributor* refers to an organization/site which takes physical possession of certified products but does not perform any kind of *processing*, including repacking of bulk product or application of hang tags/logos.

A2. Exemption Framework

A2.1 This policy may be used for auditing globally until June 30, 2022. Textile Exchange may extend this timeline.

A2.2 Each certification body should monitor its own local situation and the situations of its clients. If a certified organization cannot maintain the existing certification based on the current situation and the exemptions offered in this document, a separate exemption should be requested from Textile Exchange by the certification body.

A2.3 This policy may only be used by certification bodies who either:

A2.3.1 Held accreditation or a grace period for the applicable standard as of March 1, 2020;

A2.3.2 Held accreditation to any Textile Exchange standard as of March 1, 2020, for audits covered by CCS accreditation scope (as defined in *ASR-101-V2.1* Section B);

A2.3.3 Limit auditing to trader sites, who do not have physical possession of claimed material; or

A2.3.4 Have become accredited for the applicable standard since March 1, 2020, have conducted at least 50 audits within the specified accreditation scope, have received a recommendation from the accreditation body that they be permitted to apply this policy, and have received approval to apply this policy from Textile Exchange.

A2.4 Where an audit <u>can</u> be conducted without modification to auditing criteria, the certification body shall carry out audits following the standard's criteria. RAF farm annual audits (non-recertification) should be deferred to later in the calendar year if this will likely avoid the need for a remote or hybrid audit.

NOTE: It is acceptable to conduct document review remotely when key portions of the audit (e.g. site tour, worker interviews) can be conducted on-site.

A3. Auditing Procedures

A3.1 The certification body shall maintain documented procedures for remote, hybrid, and deferred auditing and shall conduct auditor training on these auditing protocols. These may be specific to Textile Exchange standards or may cover the certification body's other programs as well. The certification body shall provide Textile Exchange with a copy of these procedures prior to conducting remote or hybrid audits, and shall provide updates when requested by Textile Exchange.

A3.2 The certification body shall notify Textile Exchange of each audit where exemptions are being used a minimum of seven calendar days before the audit, and of each extended scope certificate no more than seven days after the extension is granted. Notification shall be carried out through the online exemptions form.

Section B - Exemption Options

B1. Extensions to Scope Certificates

B1.1 Scope certificate validity may be extended by up to 60 days by the certification body where the audit <u>cannot</u> be completed and finalized prior to expiry of the scope certificate, and where the need for the delay could not be reasonably anticipated.

B1.2 Ongoing lockdowns or travel restrictions shall not be considered sufficient justification to extend scope certificate validity.

NOTE: Appropriate justifications to extend scope certificate validity include a country or region which was previously open that is now restricting access to the organization's site, an outbreak at the organization's site, or new travel restrictions. Justifications must be supported by evidence published by government or health authorities.

B1.3 When an organization whose scope certificate was extended is recertified, the new scope certificate shall expire one year after the previous scope certificate's original expiry date (i.e. anniversary date does not change).

B2. Allowances for Recertification Audits

B2.1   Any certified organization (i.e. for a recertification audit, or an RAF farm annual audit) requiring a modification to auditing criteria in order to be audited shall be assigned a risk level for each site as follows:

      B2.1.1   Based on the risk criteria in Appendix A; and

      B2.1.2   Increasing the risk level from low to medium or from medium to high for any organization which had a remote initial audit (i.e. the certification body has not been on-site for any Textile Exchange standard) and which takes physical possession of claimed materials.

B2.2   Sites which are identified as low risk under B2.1 may undergo a remote audit (see C1) or a hybrid audit (see C2).

B2.3   Sites which are identified as medium risk under B2.1 shall undergo a hybrid audit (see C2) if this is possible. If a hybrid audit is not possible, a written justification shall be maintained and included on reporting to Textile Exchange, and a remote audit (see C1) shall be conducted.

B2.4   Sites which are identified as high risk under B2.1 shall undergo a hybrid audit (see C2) if this is possible, and shall be audited by a highly experienced lead auditor (e.g. a senior auditor, if the certification body uses this designation). If a hybrid audit is not possible:

      B2.4.1   A written justification shall be maintained and included on reporting to Textile Exchange;

      B2.4.2   A remote audit (see C1) shall be conducted; and

      B2.4.3   A deferred on-site audit (see C3) shall be scheduled within 60 days of this becoming possible.

NOTE: Appropriate justifications to avoid a hybrid audit include locations where a local representative would not be permitted on-site or remote areas where no suitable local representative who is able to go on-site can be located. It is not sufficient justification for the certification body to not have a regional or in-country representative.

B3. Allowances for Initial Audits

B3.1   Any applicant organization or organization which wishes to add new sites, which cannot be audited without modification to auditing criteria shall be assigned a risk level per site based on the risk criteria in Appendix B.

B3.2 Sites which are identified as low risk under B3.1 may undergo a remote audit (see C1) or a hybrid audit (see C2) to become certified.

B3.3 Sites which are identified as medium risk under B3.1 shall undergo a hybrid audit (see C2) to become certified if this is possible. If a hybrid audit is not possible:

B3.3.1 A written justification shall be maintained and included on reporting to Textile Exchange;

B3.3.2 A remote audit (see C1) shall be conducted; and

B3.3.3 A deferred on-site audit (see C3) shall be scheduled within 60 days of this becoming possible.

B3.4 Sites which are identified as high risk under B3.1 shall undergo a hybrid audit, and shall be audited by a highly experienced lead auditor (e.g. a senior auditor, if the certification body uses this designation) to become certified.

B3.5 For GRS audits where the organization does not hold a social certification listed in Appendix C.1, the auditor or another member of the audit team shall be highly experienced with social auditing which should include qualification to audit for a standard which is primarily focused on social auditing.

B4. Auditing of Subcontractors

B4.1 Independently certified subcontractors may be added to a scope certificate without any auditing by the certification body (see *CCS-102 CCS Certification Procedures*).

B4.2 Non-certified subcontractors shall be assigned a risk designation and the certification body shall determine if an audit is necessary based on *CCS-102 CCS Certification Procedures*. If an audit is required:

B4.2.1 Low risk subcontractors may be audited remotely (see C1).

B4.2.2 Medium risk subcontractors should receive a hybrid audit (see C2). If a hybrid audit is not possible, a written justification shall be maintained and included on reporting to Textile Exchange, and a remote audit (see C1) shall be conducted.

B4.2.3 High risk subcontractors shall receive a hybrid audit (see C2). If a hybrid audit is not possible and the subcontractor is already listed on the scope certificate, the criteria of B2.4 shall be followed.

Section C - Audit Criteria

C1. Remote Audits

C1.1 Remote audits shall be conducted following the criteria in this section, when indicated by the criteria of Section B.

C1.2 The remote audit shall be conducted by an auditor who has visited the site in the past where possible. Where this is not possible, the auditor should be briefed in advance by an auditor who has visited the site in the past.

C1.3 The certification body shall conduct an advance review with the organization to ensure that there is sufficient internet connectivity available to conduct a remote audit, that necessary technologies are able to work, and that no other barriers to a remote audit are present.

C1.4 A live video tour of the site shall be conducted as part of the remote audit (i.e. video calling or a similar technology). For farm audits, this may be replaced with a video of the farm which is taken during the audit, and where the auditor reviews the video and has the opportunity to request additional footage before the closing meeting.

NOTE: Textile Exchange encourages the use of advanced technologies which provide a better view of the site than a simple camera (e.g. 360º camera) where these are available and feasible.

C1.5 For audits with social criteria:

> **C1.5.1** The certification body should provide an email address or other contact method for the organization to distribute to all personnel as a supplemental measure. This allows workers to contact the auditor independently of management. And
>
> **C1.5.2** The certification body shall take measures to ensure that interviews for social criteria are conducted without the presence or observation of management.

C2. Hybrid Audits

C2.1 Hybrid audits shall be conducted following the criteria in this section, when indicated by the criteria of Section B or C.

C2.2 Hybrid audits shall be conducted jointly by a qualified lead auditor who is working remotely, and by an on-site representative of the certification body.

C2.3 The certification body shall conduct an advance review with the organization to ensure that there is sufficient internet connectivity available to conduct a hybrid audit, and that no other barriers to a hybrid audit are present.

C2.4 The on-site representative:

> **C2.4.1** Should be a qualified auditor with the certification body (for any standard) or an auditor trainee for the Standard being audited where possible;
>
> **C2.4.2** Shall be independent of the organization being audited;
>
> **C2.4.3** Shall, at a minimum, have received training on general auditing practice, impartiality, and any technology which is used to conduct the audit;
>
> **C2.4.4** May also act as a language interpreter for the lead auditor; and
>
> **C2.4.5** May conduct auditing tasks under the lead auditor's supervision, if appropriate to their qualifications.

C2.5 The lead auditor shall be present remotely for the entire audit and shall maintain responsibility for conducting the audit.

C2.6 The on-site representative shall ensure that audit procedures are followed under the lead auditor's direction (e.g. areas of the facility are not missed on the site tour, management representatives are not present for worker interviews).

C2.7 A live video tour of the site shall be conducted as part of the hybrid audit (i.e. video calling or a similar technology), where the on-site representative is responsible for managing the video device. For farm audits, this may be replaced with a video recording of the farm which is taken by the on-site representative during the audit, and where the lead auditor reviews the video and has the opportunity to request additional footage before the closing meeting.

NOTE: Textile Exchange encourages the use of advanced technologies which provide a better view of the site than a simple camera (e.g. 360° camera) where these are available and feasible.

C2.8 For audits with social criteria:

> **C2.8.1** The certification body should provide an email address or other contact method for the organization to distribute to all personnel as a supplemental measure. This allows workers to contact the auditor independently of management. And

> **C2.8.2** The certification body shall take measures to ensure that interviews for social criteria are conducted without the presence or observation of management.

C3. Deferred On-Site Audits

C3.1 Deferred on-site audits shall be conducted following the criteria in this section, when indicated by the criteria of Section B.

C3.2 Deferred on-site audits may be conducted with the auditor present on-site or following the criteria for hybrid audits (see C2). The timeline for conducting the deferred on-site audit begins when either of these options becomes possible.

C3.3 The deferred on-site audit is not required to include a review of documentation criteria which were sufficiently reviewed during the remote audit and where no non-conformity was identified.

C3.4 The deferred on-site audit shall include a tour of the applicable sites and subcontractors, and a review of material tracking/handling, animal welfare, land management, chemical usage, social criteria, and interviews with workers (as applicable to the audit).

C3.5 The on-site audit should be conducted by the same auditor who conducted the remote audit where possible.

Section D - Additional Exemptions

D1. Confirmation Visits and Unannounced Audits

D1.1 Where there is a criterion for unannounced audits or confirmation visits, the certification body may cancel a proportion of the unannounced audits or confirmation visits to match the portion of the year where on-site audits are not possible in the applicable country.

EXAMPLE: On-site audits are not possible in a country for three months of 2021. The certification body may cancel 3/12 = 25% of required unannounced audits and confirmation visits.

D2. Closure of Non-Conformities

D2.1 If on-site verification is ordinarily required to close a non-conformity and is not possible, the certification body may evaluate the non-conformity remotely. This shall include video-based evidence and should include live video calling where needed to confirm conformity.

D2.2 If a non-conformity cannot be closed by the due date because of restrictions on business activities or movement of people (see A1.1), and the organization is currently certified to the Standard, the following shall apply:

D2.2.1 The certification body shall require the organization to prepare a corrective action plan which includes timelines relative to specific activities becoming possible;

D2.2.2 The certification body may close the non-conformity based on the corrective action plan, provided that the organization has taken reasonable actions towards closing the non-conformity, based on what is possible (e.g. confirming service providers); and

D2.2.3 The certification body shall schedule a follow-up with the organization to ensure that the corrective action plan is implemented.

D3. Auditor Qualification

D3.1 The following substitutions may be made in auditor training:

D3.1.1 The auditor trainee may participate in training audits remotely, except as required by D3.1.2. This may be done when the lead auditor or an on-site representative is present on-site, or for fully remote audits. If the lead auditor is present on-site, measures shall be taken to ensure that the auditor trainee can observe all aspects of the audit.

D3.1.2 The auditor trainee shall participate in at least one on-site audit for full qualification, except where both of the following conditions apply. The auditor trainee may serve as the on-site representative in a hybrid audit to fulfill this criterion.

a. For CCS evaluation only (i.e. non-GRS secondary scopes); and

b. If the auditor is qualified for and experienced with another product certification supply chain/chain of custody standard.

D3.1.3 A remote shadow audit may be conducted to qualify the auditor trainee to conduct remote audits. In this case, an on-site shadow audit is required before the auditor trainee is qualified to conduct on-site audits.

D3.1.4 A hybrid shadow audit where the auditor trainee is present on-site and the shadow auditor is remote may be conducted to qualify the auditor trainee to conduct on-site audits. In this case, an additional shadow audit where all participants are present on-site shall be conducted within six months of this becoming possible.

D3.2   Shadow audits to meet *ASR-101-V2.1* D3.1.6.c (maintaining auditor qualifications) may be conducted remotely.

D4. Accreditation and Grace Periods

D4.1   Office assessments by accreditation bodies may be conducted remotely.

D4.2   Shadow assessments conducted by accreditation bodies for existing accreditation scopes may be conducted remotely.

D4.3   For initial assessments, on-site shadow assessments shall be conducted unless all of the following conditions apply:

   D4.3.1   The accreditation body cannot conduct on-site shadow assessments due to justified travel restrictions and/or safety conditions;

   D4.3.2   Technology including internet access is sufficient to allow the accreditation body to fully observe the audit; and

   D4.3.3   The accreditation body does not have any concerns about conducting the shadow assessment remotely (e.g. due to complaints received about an applicant), and, following the assessment, believes the assessment to have been sufficient.

Appendix A – Risk Levels for Certified Organizations

The following tables identify the <u>minimum</u> risk level to be assigned for audits of certified sites (i.e. recertification).

Low Risk	
1. Trader	1.1 All traders.
2. Distributor	2.1 The last audit was conducted by the same certification body; 2.2 No non-conformities relating to physical material handling were identified during the last audit; and 2.3 Certified materials are handled and distributed exclusively in discrete units (e.g. finished products, discrete pallets of raw materials, bags of down).

Medium Risk	
3. Processor	3.1 The last audit was conducted by the same certification body; 3.2 No non-conformities relating to physical material handling or tracking were identified during the last two audits, or during the last audit if the organization has only been certified for one year; 3.3 The certification body believes that the risk of material contamination at the site is minimal; 3.4 The standard is not GRS; and 3.5 For OCS gins, samples for GMO testing as required by *OCS-103 GMO Screening of Organic Cotton* are taken and identified with direct (video) oversight from the auditor.
4. Farms and Slaughter Sites	4.1 The entire scope certificate has a low risk designation based on the risk criteria in *RDS-102-V3.2*. (RDS only)

High Risk	
5. All Organization Types	5.1 Does not meet low or medium risk criteria under 1-4 above; 5.2 The certification body has concerns about conducting a remote audit based on past audit performance, products, processing steps, or any other factor the certification body deems relevant.

Appendix B – Risk Levels for Applicant Organizations

The following tables identify the <u>minimum</u> risk level to be assigned for audits of applicant organizations who are not yet certified to the applicable standard.

Low Risk	
1. Trader	1.1. All traders. *Sections below do not apply if this is met.*
2. Current Textile Exchange or GOTS Certification	2.1 The site holds certification to another Textile Exchange standard or to GOTS, and has had an on-site audit to that standard; 2.2 The same certification body who issued the other scope certificate conducts the audit; and 2.3 The standard is not GRS. *Sections below do not apply if this is met.*
3. Scope Certificate Transfers	3.1 The site holds or held certification to the same Textile Exchange standard with another certification body; and 3.2 The certification was valid within the 90 days prior to the remote audit; and 3.3 The standard is not GRS. *Sections below do not apply if this is met.*
4. RMS & RAS	4.1 The farm or farm group holds RWS certification; and 4.2 The conditions identified in *RAF-104 RAF Transition Policy* B1.3 are met.

Medium Risk	
5. Current Textile Exchange or GOTS Certification	5.1 The site holds certification to another Textile Exchange standard or to GOTS, and has had an on-site audit to that standard; and 5.2 The standard is not GRS. *Sections below do not apply if this is met.*
6. GRS Scope Certificate Transfers	6.1 The site holds or held GRS certification with another certification body; and 6.2 The certification was valid within the 90 days prior to the remote audit. *Sections below do not apply if this is met.*

7. CCS	*This section applies for all organizations with secondary scopes, and as an additional criterion as referenced in sections below.*
	
	7.1 The site is a distributor. Certified materials are handled and distributed exclusively in discrete units (e.g. finished products, discrete pallets of raw materials, bags of down). Material handling procedures for workers are not substantially different for certified materials;
	
	7.2 The site exclusively processes certified materials (e.g. all down on-site is RDS certified);
	
	NOTE: If option 2 is used, the certification body shall reclassify the audit as high risk if non-certified material is identified on-site during the remote audit.
	
	7.3 The site is certified to another product chain of custody standard which includes material segregation by the same certification body, and the standard is either:
	
	    7.3.1 Owned by a full member of ISEAL; or
	    7.3.2 Reliant on ISO17065 accreditation by an internationally recognized accreditation body.
	
	OR

Medium Risk	
	7.4 The site meets all of the following conditions: 7.4.1 The site is located in a country where an in-country auditor cannot/could not do an on-site audit based on local restrictions; 7.4.2 The site is not located in a country where a large number of auditors are available (e.g. China, India, Bangladesh, Turkey); 7.4.3 The certification body conducts a pre-audit including a live video tour of the site and determines that there are no technological or other barriers to a remote audit; and 7.4.4 The site is not a material recycler.
8. OCS	8.1 The site meets eligibility for CCS (see above); and 8.2 The site is not the *first processor*.
9. RCS	9.1 The site meets eligibility for CCS (see above).
10. GRS	10.1 The site meets eligibility for CCS (see above); 10.2 The site is not a chemical recycler; and 10.3 The organization meets one of the medium risk options identified in Appendix C for each of social, environmental, and chemical criteria.
11. RDS Farms & Slaughter Sites	11.1 All slaughter sites and supply chain sites (e.g. down processors) meet eligibility for CCS (see above); 11.2 The organization has been audited for animal welfare for waterfowl (i.e. to a standard other than the RDS, including brand-owned standards) by the same certification body within the last two years; 11.3 For farm groups, the previous audit covered the same slaughter sites and substantially the same list of farms; and 11.4 The scope is not farm area.
12. RAF Farm	Risk assessments are not conducted for RAF farm initial audits, so the default position for this policy is that RAF farms are high risk. No

Medium Risk	
	special allowances for Responsible Animal Fiber (RWS/RMS) farm certifications are classified as medium risk at this time.

High Risk	
13. All Site Types	13.1 Does not meet low or medium risk criteria under 1-12 above; or

13.2 The certification body has concerns about conducting a remote audit based on past audit performance (for other standards), products, processing steps, or any other factor the certification body deems relevant. |

Appendix C – Medium Risk Indicators for GRS Modules

The following tables identify medium risk indicators for each of the three GRS modules. One indicator per table – either an existing certification or one item under "Other Criteria" – is required to meet Appendix B 9.1. Note that references to other certification systems are used to identify reduced risk only and are not considered to be equivalencies by Textile Exchange.

Social	

1. Existing Certifications	1.1 The organization holds one of the following certifications, and has had an on-site audit for that certification since January 1, 2019.
	
	    1.1.1. GOTS;
	    1.1.2. SA8000;
	    1.1.3. WRAP Gold or Platinum;
	    1.1.4. SMETA;
	    1.1.5. Fair Trade USA; or
	    1.1.6. Fair Trade International.

2. Other Criteria	*No other criteria at this time.*

Environmental	

3. Existing Certifications	3.1 The organization holds one of the following certifications, and has had an on-site audit for that certification since January 1, 2019.
	
	    3.1.1. GOTS;
	    3.1.2. ISO 14001:2015;
	    3.1.3 OEKO-TEX STeP; or
	    3.1.4 bluesign.

4. Other Criteria	4.1. Processing steps included in the scope certificate are limited to the following (see *ASR-213 Materials, Processes, & Products Classification*):
	
	    PR0000 No processing
	    PR0005 Collecting
	    PR0006 Concentrating
	    PR0007 Down processing
	    PR0009 Embroidery, embellishment

Environmental	
	PR0015 Knitting PR0016 Manufacturing (limited to textile products only) PR0020 Packing PR0025 Retail sales PR0027 Spinning (excluding all dope dye processes) PR0029 Top making PR0030 Trading PR0031 Warehousing, distribution PR0033 Weaving

Chemical	

5. Existing Certifications	5.1 The organization holds one of the following certifications, and has had an on-site audit for that certification since January 1, 2019.
	
	    5.1.1. GOTS;
	    5.1.2 bluesign;
	    5.1.3 OEKO-TEX STeP; or
	    5.1.4 All chemical inputs are ZDHC Level 1, 2, or 3, and ISO 14011:2015 certification is in place.

6. Other Criteria	6.1 Processing steps included in the scope certificate are limited to the steps listed in 4. above.