



Content Claim Standard Certification Procedures 3.1



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The *Content Claim Standard Certification Procedures 3.1* replaces *Content Claim Standard Certification Procedures 3.0* and is effective as of July 1, 2023. **All audits and assessments conducted after October 1, 2023 shall be conducted using the *Content Claim Standard Certification Procedures 3.1*.** See section A3.1.1 for more details.

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English is the official language of the *Content Claim Standard Certification Procedures*. In any case of inconsistency between versions, reference shall be made to the English version.

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The *Content Claim Standard Certification Procedures 3.1* will undergo a revision process at least every five years. The next revision is tentatively scheduled to begin in 2025, for completion in 2026. You may submit feedback to the document at any time; send to assurance@textileexchange.org. Points of clarification may be incorporated into supplementary and guidance documents prior to 2026. More substantive feedback or suggested changes will be collected and reviewed as part of the next revision of the document.

Document Revision History

Content Claim Standard Certification Procedures 2.0, released June 2020

Note: V2.0 is the earliest version of this document in order to align with versions of the CCS.

Content Claim Standard Certification Procedures 2.1, released July 2021

Content Claim Standard Certification Procedures 3.0, released March 2022

Content Claim Standard Certification Procedures 3.1, released July 2023

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Section A - General Information

A1. About the Content Claim Standard

The Content Claim Standard (CCS) is an international, voluntary standard that sets criteria for third-party certification of chain of custody. The goal of the CCS is to ensure the accuracy of content claims. The Content Claim Standard is owned and managed by Textile Exchange.

The CCS does not include criteria related to product quality or legal compliance. Textile Exchange expects all organizations certified under Textile Exchange standards to comply with all applicable local, national, and international laws and regulations at all times. The criteria in the Content Claim Standard (CCS) may be more or less strict, or equivalent to applicable laws. Where applicable laws and/or regulations are stricter than the CCS criteria, the law will take precedence. Where CCS criteria are stricter, the criteria of the CCS will take precedence. The intent is that where laws and the standard criteria overlap, the strictest takes precedence. Each organization is expected to ensure their own compliance with applicable laws. If there is concern that a Textile Exchange standard is in conflict with an applicable law, the organization's certification body should contact Textile Exchange.

Individual sites are certified by independent third-party certification bodies using annual audits. Material is tracked from the origin to the *final product*, following the criteria of Textile Exchange's Content Claim Standard (CCS). For more information, please visit:

TextileExchange.org/Standards.

A2. About Textile Exchange

Textile Exchange is a global non-profit driving positive impact on climate change across the fashion and textile industry. It guides a growing community of brands, manufacturers, and farmers towards more purposeful production from the very start of the supply chain.



Its goal is to help the industry to achieve a 45% reduction in the emissions that come from producing fibers and raw materials by 2030. To get there, it is keeping its focus holistic and interconnected, accelerating the adoption of practices that improve the state of our water, soil health, and biodiversity too.

For real change to happen, everyone needs a clear path to positive impact. That's why Textile Exchange believes that approachable, step-by-step instruction paired with collective action can change the system to make preferred materials and fibers an accessible default, mobilizing leaders through attainable strategies, proven solutions and a driven community.

At Textile Exchange, materials matter. To learn more, visit TextileExchange.org.

A3. About the Certification Procedures

The CCS Certification Procedures present normative criteria for *accreditation bodies* and *certification bodies* which are specific to the Content Claim Standard. These criteria are in addition to the criteria for all Textile Exchange standards, which can be found in *ASR-101 Accreditation and Certification Procedures for Textile Exchange Standards*.

The CCS Certification Procedures V3.1 have been developed as a supplemental document to align with the Content Claim Standard V3.1.

A3.1.1 The following implementation timelines apply:

- a. The *Content Claim Standard Certification Procedures 3.1* replaces the *Content Claim Standard Certification Procedures 3.0* and is effective as of July 1, 2023.
- b. All audits and assessments conducted on or after October 1, 2023 shall be conducted using the *Content Claim Standard Certification Procedures 3.1*.

A3.1.2 The CCS Certification Procedures refer to the auditing of farms. Textile Exchange's Responsible Down Standard (RDS) and Responsible Animal Fiber Standard (RAF) include the auditing of farms, but do not require that farms be audited to the CCS. In isolated cases the CCS may apply to individually certified RAF farms. References to farms are included to allow for the CCS to be applied to farms for these special cases or for other standards which may use the CCS.

Section B - References

B1. Terms and Definitions

Refer to *TE-101 Terms and Definitions for Textile Exchange Standards and Related Documents* for definitions of terms used in these procedures. Defined terms are shown in italics in their first use in this document and further in the document for clarity.

B2. Reference Documents

The following key documents are used for conducting CCS certification. It is essential that they are used alongside this document. Where a specific version of a document is referenced, this is to ensure clarity in referencing specific criteria and does not supersede mandatory implementation dates for future versions of the document.

- a. [CCS-101 Content Claim Standard](#) (“CCS”)
- b. [CCS-105 Policy for Alternative Volume Reconciliation \(VR2\)](#)
- c. [CCS-106 Policy for Supply Chain Group Certification](#) (“CCS-106”)
- d. [CCS-107 Policy for Multi-Site Certification with Sampling of Sites](#) (“CCS-107”)
- e. [CCS-201 CCS User Manual](#)
- f. [ASR-101 Accreditation and Certification Procedures for Textile Exchange Standards](#) (“ACP”)
- g. [ASR-103 Policy for Scope Certificates](#)
- h. [ASR-104 Policy for Transaction Certificates](#)
- i. [ASR-110 Complaints Policy](#)
- j. [ASR-112 Procedure for the Withdrawal of Certification Body Licensing](#)
- k. *ASR-114 Audit and Assessment Methods Policy* (when published)
- l. *ASR-115 Guidance: Subcontractors and Related Practices* (when published)
- m. [ASR-213 Materials, Processes, & Products Classification](#)
- n. [TE-101 Terms and Definitions for Textile Exchange Standards](#)

- o. [TE-301 Standards Claims Policy](#)
- p. The applicable Textile Exchange or externally owned standard used as the basis for claims (“the Standard”), its certification procedures and other supporting documents
- q. *ILO C182 – Worst Forms of Child Labour Convention, 1999 (No. 138 and 182)*
- r. *ILO C029 – Forced Labour Convention, 1930 (No. 29 and 105)*

Section C - Criteria for Accreditation Bodies

C1. General Criteria

C1.1 Accreditation Body Personnel

- C1.1.1** The accreditation body shall employ at least one key staff member, or have regular access to an individual, with a degree or diploma in textile engineering, or with five years of experience in each applicable sector included in the scope of organizations to be audited (e.g. garment manufacturing or scouring of animal fiber).
- C1.1.2** The accreditation body shall request approval from Textile Exchange for each staff member required per C1.1.1 to verify the staff member's relevant experience and competence. The accreditation body shall request approval using the following methods:
- a. The accreditation body shall send each staff member's curriculum vitae to Textile Exchange as requested during the accreditation body application process.
 - b. If key staff members change, the accreditation body shall send the curriculum vitae of new key staff members to Textile Exchange via e-mail to assurance@textileexchange.org.

C1.2 Claims About Textile Exchange Standards

- C1.2.1** The accreditation body shall ensure that they meet the criteria of *TE-301 Standards Claims Policy* for any claims made publicly (e.g. on the certification body's website) about Textile Exchange and Textile Exchange standards.
- C1.2.2** The accreditation body shall evaluate certification body conformity with *TE-301-V1.3 Standards Claims Policy* criteria C2.3, C2.4, and C2.5 (as applicable) during each assessment.

Section D - Criteria for Certification Bodies

D1. General Criteria

D1.1 Personnel Qualifications

- D1.1.1** The certification body shall have at least one key staff member with a degree or diploma in textile engineering, or with five years of experience in each applicable sector included in the scope of organizations to be audited (e.g. garment manufacturing or scouring of animal fiber).
- D1.1.2** All auditors and certification decision makers shall have access to consult with a certification body staff member qualified under D1.1.1 for complex or unusual situations to ensure that all applicable criteria are met.
- D1.1.3** Hybrid and remote audits may be used in the qualification of auditors as follows:
- a. Hybrid audits may be counted towards audit participation (see ACP 2.1, D3.1.5.e) provided that the auditor trainee is present on-site. The auditor trainee may also act as the on-site representative where the criteria of D4 are met.
 - b. Remote audits and hybrid audits where the auditor trainee is not present on-site may be counted towards audit participation (see ACP 2.1, D3.1.5.e) provided that the auditor trainee is present on-site for at least one audit to meet this criterion.
 - c. Hybrid audits may be counted as shadow audits (see ACP 2.1, D3.1.5.f and D3.1.6.c) provided that the auditor or auditor trainee conducting the audit is present on-site and the shadow/fully qualified auditor is able to observe the auditor's work sufficiently to evaluate their performance.
 - d. Hybrid or remote audits used for qualification purposes shall meet the eligibility criteria for hybrid or remote audits (see Appendix C).

D1.2 Reporting Criteria

- D1.2.1** The certification body shall report the following information to Textile Exchange quarterly. Data shall be reported in a format specified by Textile Exchange (i.e. dTrackit requirements) or in an alternate format which has been approved by Textile Exchange:
- a. A Non-Conformity Report which includes:

- i. A list of non-conformities issued to certified organizations, or their related sites or subcontractors, based on the criteria of the CCS; and
 - ii. A list of exemptions issued or applied to sites. This includes exemptions issued by Textile Exchange for a specific site or organization, as well as exemptions issued more generally for sites or organizations which meet particular conditions (e.g. which may be applied to all sites in a specific country).
- b. Reporting criteria in *ASR-103 Policy for Scope Certificates*.
 - c. Reporting criteria in *ASR-104 Policy for Transaction Certificates*.
 - d. Reporting criteria in *ASR-101 Accreditation and Certification Procedures*. and
 - e. Reporting criteria as defined by the certification procedures for the Standard.

D1.2.2

For at least **seven years**, the certification body shall keep the following records on file for each certified organization and for each organization which was formerly certified by the certification body:

- a. Scope certificate data, including records of past scope certificates, **date of original certification**, and changes to the scope of certification;
- b. Transaction certificate data, including all past transaction certificates issued with supporting documents (see E2.1);
- c. Copies of all incoming and outgoing transaction certificates; and
- d. Volume reconciliation records used for issuing transaction certificates, including records of the material used per incoming transaction certificate.

D1.3 Allowable Use of the CCS

D1.3.1

The certification body shall only issue certification using the CCS in the following scenarios:

- a. For primary scopes to Textile Exchange standards, where the Standard requires that the CCS be evaluated and where the certification body is licensed for the applicable accreditation scope;
- b. For GRS secondary scopes, where the certification body is licensed for GRS;
- c. For secondary scopes to other Textile Exchange standards; and

- d. For claims outside of Textile Exchange standards in accordance with *CCS-103 Using the CCS Outside of Textile Exchange Standards*.

D2. General Auditing Criteria

D2.1 Additional Auditing Criteria

D2.1.1 The certification body shall conform with all criteria in *ASR-101 Accreditation and Certification Procedures for Textile Exchange Standards*.

D2.1.2 Where transaction certificates are approved without the verification of financial records due to the unavailability of bank receipts when the transaction certificate is issued (see E2.1.1):

- a. The certification body shall check financial records (e.g. bank receipt, SWIFT, letter of credit, Income tax records) of certified input and output materials per **certified organization during the next audit** using the minimum sampling rates below to detect if any substitution of certified and non-certified material has occurred in the previous scope certificate validity period.

Number of transaction certificates per scope certificate issued in the last 12 months	Number of transaction certificates per scope certificate for which financial records shall be reviewed
1 to 4	All transaction certificates.
5 to 100	At least 5 transaction certificates.
101 to 1000	At least 10 transaction certificates or 5% of the total rounded up to the nearest whole number, whichever is less.
>1001	At least 1% or half the square root of the total number of transaction certificates rounded up to the nearest whole number, whichever is less.

- b. **During a transfer between certification bodies, the succeeding certification body shall ensure that the verification required in D2.1.2.a is completed. The preceding certification body shall provide the succeeding certification body**

with a list of transaction certificates approved without reviewing financial records.

- D2.1.3** The certification body shall check if output product quality is technically feasible based on input product quality and review product quality test reports. See additional information and references in the certification procedures of the relevant Textile Exchange standard(s).

D2.2 Risk Assessment Process

The purpose of the risk assessment process is to help certification bodies identify the higher risk activities of an organization **and higher risk organizations**, and to allocate greater auditing resources to higher risk activities while recognizing that lower risk activities do not need the same level of scrutiny.

- D2.2.1** In accordance with the ACP and [ASR-225 List of Banned Organizations](#):

- a. Prior to any certification agreement being signed with the organization or certified organization **renewing certification**, the certification body shall review whether the organization and their associated subcontractors are eligible for certification, including whether they are prohibited from becoming certified.
- b. Prior to adding a site or associated subcontractor to a scope certificate, the certification body shall review whether the facility is eligible for certification, including whether they are prohibited from becoming certified.
- c. The certification body shall proactively monitor to ensure that all organizations certified by the certification body along with their sites and associated subcontractors do not become prohibited from being certified, or otherwise that actions specified D2.2.1.d are taken.

NOTE: Textile Exchange will notify the certification body upon becoming aware of a certified organization, site, or associated subcontractor who is prohibited from being certified. However, identifying this remains the certification body's responsibility.

- d. In the event that a previously certified component, product, shipment, or site is identified as restricted (e.g. added to a government sanction list identified in *ASR-225 List of Banned Organizations*), and therefore ineligible for certification, the certification body:
 - i. Shall immediately notify Textile Exchange and amend or withdraw the related scope certificate(s) of such ineligible entity(ies);
 - ii. Shall cease all related certification activities within the prescribed timeline provided by Textile Exchange;

- iii. Shall notify the certification body of any buyer of the identified ineligibility and any resulting withdrawal of any related transaction certificate(s) has been issued during the validity period of the scope certificate;
- iv. Shall not issue transaction certificates for products at the first processor that have become ineligible for certification immediately upon becoming ineligible;
- v. May consider products already certified to the Standard prior to becoming ineligible to be certified unless specifically identified by Textile Exchange to be considered ineligible immediately; and
- vi. Shall not issue transaction certificates for ineligible products (other than at the first processor) after six months of becoming ineligible.

D2.2.2

Prior to determining the risk level, the certification body shall also conduct a background check on the organization to understand its past certification history, legal obligations, and detect potential fraud. To determine the risk level, the certification body:

- a. Shall consider feedback (solicited or unsolicited, such as media reports) which has been received about the organization.
- b. Should include, at a minimum, information about legal compliance history (e.g. past prosecutions for animal welfare issues) of the applicable organization.
- c. Shall use any findings of the background check that indicate a high probability of the site not meeting critical or major criteria to raise the risk level (see D2.2.4) to the high risk level. In such cases, the certification body shall:
 - i. Inform the organization of the adjusted risk level and the reasoning used to change it; and
 - ii. In the case of disagreement by the organization about the assigned high risk level, notify the site that they have the right to file a complaint with Textile Exchange as per *ASR-110 Complaints and Feedback Policy*.

D2.2.3

Prior to each audit and before a site is added to a scope certificate, the certification body shall:

- a. Conduct a risk assessment following the process in the ACP 2.1 Appendix C;

- b. Assign a risk level for each site (see Appendix B: Risk Assessment of Facilities); and
- c. Conduct audits in accordance with D2.3 with the following exceptions:
 - i. Sites with a *primary scope*, where the Standard or its certification procedures include other criteria to determine auditing frequency and sampling (e.g. farm groups) in which case the criteria of the Standard and its certification procedures shall apply; and
 - ii. Sites included in a supply chain group certification or in a multi-site scope certificate as described in *CCS-106 Policy for Supply Chain Group Certification* or *CCS-107 Policy for Multi-Site Certification with Sampling of Sites*, in which case the criteria of those documents shall apply.

D2.2.4

For each risk assessment, the certification body shall assign the risk level for **sites** according to Appendix B1: Risk Assessment of Sites.

- a. The certification body shall review the criteria level questions in order from high to medium to low. If any question is answered yes, that risk designation applies.
- b. If the operations of a site fall outside of the scenarios covered by Appendix B1, the certification body shall contact Textile Exchange by sending an e-mail to assurance@textileexchange.org.
- c. If the certification body has determined a site to be a high risk site through the background check according to D2.2.2, a high risk designation shall apply. And
- d. If the certification body believes a higher risk level than is indicated in Appendix B1 is justified, the certification body may apply the higher risk level.

D2.2.5

For each risk assessment, the certification body shall assign the risk level for **associated subcontractors** according to Appendix B2: Risk Assessment of Associated Subcontractors.

- a. The certification body shall review the criteria level questions in order from high to medium to low. If any question is answered yes, the corresponding risk designation applies.
- b. For auditing of independently certified subcontractors, see Section D3.4 Management of Independent Certified Subcontractors.

- c. If the operations of an associated subcontractor fall outside of the scenarios covered by Appendix B2, the certification body shall contact Textile Exchange by sending an e-mail to assurance@textileexchange.org. And
- d. If the certification body believes a higher risk level than is indicated in Appendix B2 is justified, the certification body may apply the higher risk level.

D2.2.6 The certification body shall inform the organization of the identified risk level(s) for the organization's sites and associated subcontractors.

D2.3 Auditing of Facilities Based on Risk Levels

D2.3.1 The certification body shall use Appendix C: Auditing of Facilities Based on Risk Level to determine frequency and intensity of audits.

D2.3.2 *Removed*

D2.3.3 Risk-based audits of facilities shall be conducted according to the audit frequency and intensity levels indicated in Appendix C: Auditing of Facilities Based on Risk Level.

D2.3.4 The certification body may conduct an on-site audit where a hybrid or remote audit is allowed, and may conduct a hybrid audit when a remote audit is allowed.

D2.3.5 An audit shall be considered to be an initial audit if:

- a. The organization has not been certified to the Standard in the past;
- b. The organization has been certified to the Standard in the past, but has not been certified to the Standard for 180 days or more prior to the start of the audit; or
- c. The organization is changing certification bodies, excluding transfer audits (see D2.9.1).

D2.4 Multiple Certification

D2.4.1 An organization or a site may be included in multiple scope certificates for claims based on different standards. All applicable scope certificates should be issued by the same certification body.

NOTE: See the applicable certification procedures for further restrictions on certification body choice which apply for OCS, RCS, and GRS.

D2.4.2 If an organization is certified to another standard (including both Textile Exchange and non-Textile Exchange standards) where there is a risk of over-claiming material volume, the certification body shall include all standards which recognize similar content (e.g. organic cotton for OCS) in its review of the volume reconciliation, and shall evaluate the claims made regarding the other standard and any other necessary records to ensure that volumes are not being over-claimed.

D2.4.3 A *site* shall not be included as a main or subsequent site in more than one scope certificate to the same Standard unless the site has a *primary scope* and multiple certifications are permitted by the Standard or its certification procedures.

NOTE: D2.4.3 refers to sites only. A *facility* may be included as a *subcontractor* in multiple scope certificates.

D2.4.4 The certification body may conduct the initial audit as a remote audit (see D4.3) if the organization holds certification to another Textile Exchange standard with the same certification body. To conduct a remote audit for the initial audit, the following conditions apply:

- a. The site is not adding GRS certification;
- b. The anniversary date shall be the same date (month and day) as the other certification (i.e. the initial scope certificate shall be issued for less than a year); and
- c. The organization has been identified as medium or low risk in D2.2.3.

D2.4.5 Sites which are under *common ownership* may be certified separately. When sites under common ownership are in the same country, they should be certified by the same certification body.

NOTE: Transaction certificates are required for sales of material between sites which are certified under separate scope certificates, even when those sites are under common ownership.

D2.5 Auditing of Volume Reconciliation

D2.5.1 The certification body shall establish and maintain inventory and volume reconciliation records, and shall:

- a. Audit the organization's volume reconciliation during each audit, considering available inventory, all inputs, and all outputs processed since the last audit if it is a recertification audit (usually the period of the last 12 months).
- b. Verify the available inventory during annual audit to establish available inventory at the time of the audit. Non-verified stock, rejection, deterioration,

loss, theft, and disposal stock shall be deducted from this available inventory.

- c. Verify the available inventory prior to issuing each transaction certificate.
And
- d. Establish a production capacity and update annually to determine whether certified material is being over-sold.

D2.5.2 During the initial and recertification audit, the certification body shall conduct the audit of the organization's volume reconciliation of both claimed and non-claimed materials (only the total input and output volumes) which are tracked in a similar manner as claimed material.

NOTE: The purpose is to understand the site's capacity with the claimed material to better identify abnormal volumes that might be fraudulent, and not to constantly monitor the available inventory of non-claimed materials.

D2.5.3 When claimed materials are present on-site at the time of the initial audit (see CCS 3.1, D1.1 General Product Certification Criteria):

- a. The auditor shall visually inspect the claimed materials to ensure that they match the purchasing documentation and have not yet been blended, mixed, or processed, nor labeled with assured claims.
- b. The certification body may approve the blending, mixing, and/or processing of the claimed materials prior to the initial scope certificate issue date provided that the below conditions are met. Without such approval, no transaction certificate shall be issued for the material.
 - i. There are no non-conformities relating to material handling or volume reconciliation;
 - ii. The volume reconciliation, identification, and segregation system is fully implemented so that the organization can track the material as required; and
 - iii. The material is not labeled with assured claims, shipped, or sold before the scope certificate is issued.

D2.5.4 The certification body's audit of the volume reconciliation shall include the following to permit inventory reconciliation and preserve the integrity of claimed material:

- a. Auditing of quantities of all incoming claimed materials declared as the initial inventory or received since the last audit, including – but not limited to –

review of input transaction certificates, shipping documents, financial records, test reports (as applicable), and purchase records;

- b. Auditing of the flow and movement of materials through the organization's facilities and processes, including consideration of loss factors and composition calculations per process category;
- c. Auditing of quantities of claimed materials sold both with and without formal certification claims and/or transaction certificates;
- d. Auditing of the calculation and accuracy of loss factors per process category, using both the organization's production records and technical feasibility factors;
- e. Consideration of the volume reconciliation per product and per process as needed to fully identify the applicable material flows, including any differences in loss factors;
- f. Consideration of stock levels, claimed materials sold without formal certification claims, and damaged or rejected materials; and
- g. Auditing inventory against incoming and outgoing transaction certificates for quantity, quality, product category, and product detail.

D2.5.5

At a minimum, the following inventory information shall be verified by the certification body prior to issuing a transaction certificate:

- a. Sufficient input claimed material has been purchased to produce the claimed material sold, taking loss factors into account;
- b. The incoming transaction certificate has not been claimed as providing the inputs for another outgoing transaction certificate unless the total volume claimed on all outgoing transaction certificates does not exceed the input volume after loss factors are considered;
- c. The volume reconciliation that takes into account loss factors of the relevant product categories, product details, and processing categories; and
- d. Consideration of stock levels, claimed materials sold without formal certification claims, and damaged or rejected materials.

D2.5.6

The certification body shall follow auditing criteria from *CCS-105 Alternative Volume Reconciliation (VR2)* when auditing sites which are implementing a VR2 system or which are handling VR2 material in the supply chain.

D2.5.7 During an *initial audit* for an organization which has not previously been certified to the standard, the certification body shall ensure that a volume control and volume reconciliation system is in place but may review records relating to non-claimed materials if records relating to claimed materials are unavailable.

D2.6 Audit Conduct and Duration

D2.6.1 During the audit, the certification body shall review, observe, and inspect records, production processes, and storage units at each site.

D2.6.2 Each audit shall be conducted over a long enough duration to ensure that all applicable criteria are fully audited. The following **minimum** time shall be spent to conduct each audit. Additional time is typically required in order to perform a thorough audit and should be included in planning. This minimum is only established as the least amount of time estimated to audit the simplest example of each site type. This does not include auditor travel or reporting time and is specified per facility.

Site type	Minimum time to audit site
a. Farm, slaughter site, material recycler, collector/concentrator, OCS first processor, and/or all GRS site (except traders):	See the applicable certification procedures (e.g. RAF-102, OCS-102, or GRS-102)
b. Trader site (no physical possession)	1 hour
c. Distributor (physical possession with no processing)	2 hours
d. Processor	3 hours
e. Associated subcontractor	1 hour less than the time specified for the site types in this table
f. Sites that can be designated to multiple site types	Longest specified audit duration per the time periods outlined in this table

D2.6.3 For a scope certificate which is limited to one trader site, the minimum audit duration shall be two hours. This is an exception to ACP 2.1, D4.4.5.

D2.6.4 If two or more standards are being evaluated during a joint audit, the minimum audit time shall be the longest applicable time for one standard plus one hour per additional standard, at minimum. This is an exception to ACP 2.1, D4.4.5.

D2.6.5 The certification body shall maintain a system and procedures to ensure that:

- a. The auditor or on-site representative was present at the site for each on-site audit;
- b. The auditor or on-site representative was at the site for at least the minimum required audit time for all on-site and hybrid audits (e.g. photos with time and GPS location recorded); and
- c. The auditors involved in the audit and audit duration time for each audit are recorded.

D2.7 Grading of Non-Conformities

There are many important criteria in the CCS where either critical, major, or minor non-conformities are issued. For example, a major non-conformity would be issued for *CCS-101-V3.1 Content Claim Standard*, section C1.2 (documented procedures) if an organization did not have documented procedures, while a minor non-conformity may be more appropriate if there are small elements of the procedures which are missing or out of date. See also Section D5 in this document for details of non-conformities for critical practices.

D2.7.1 The certification body shall issue any non-conformities relating to deliberate fraud (including but not limited to altering any records related to claimed material by the organization's personnel) as critical non-conformities to criterion C1.5 of CCS 3.1.

D2.7.2 Non-conformities issued to the following CCS 3.1 criteria shall always be issued as major non-conformities:

- a. C3.2.1 (records of materials);
- b. C3.3 (conducting volume reconciliation);
- c. C5.5 (contracts with associated subcontractors);
- d. C5.6 (contracts with independently certified subcontractors);
- e. D3.5 (avoiding commingling);
- f. D5.1 (transport packaging);
- g. D5.2 (transport documents);

- h. E3.1 (list of distribution sites);
- i. E3.2 (certification body access to distribution sites);
- j. F1.2 (multi-site and group certification);
- k. F5.1 (adding sites); and
- l. F5.2 (authority/removal of sites).

D2.7.3 For all other non-conformities, the auditor shall use the criteria from ACP 2.1 Appendix B to determine the applicable grading (minor, major, or critical).

D2.7.4 If the certification body identifies a non-conformity outside of the regular audit process (e.g. during a transaction certificate application), that non-conformity shall be issued to the organization.

EXAMPLE: During the review of a transaction certificate application, the certification body becomes aware that the organization has made on-product claims about a Textile Exchange standard without obtaining a claims approval as required. The certification body proceeds to issue a non-conformity to the organization relating to claims approvals.

D2.8 Amending the Scope of Certification

D2.8.1 The certification body may remove facilities (other than the main site), products, or processes from the scope of certification upon request from the certified organization or upon identifying that eligibility criteria have not been or are no longer met.

D2.8.2 The certification body may add facilities to the scope of certification when one of the following criteria has been met:

- a. For sites, when D3.2.2 is met;
- b. For associated subcontractors, when D3.5.2 is met; and
- c. For independently certified subcontractors, upon request from the organization and review of the independently certified subcontractor's scope certificate.

NOTE: Brand distribution facilities are not required to meet D2.8.2 since those facilities are not listed on the scope certificate.

D2.8.3 The certification body may add products to the scope of certification when one of the following criteria has been met:

- a. There is no processing of the applicable products;
- b. Products in the same product category are already included in the scope of certification;
- c. Products fall into a new product category, but are produced using the same processing categories and fundamentally the same processes as current product categories (e.g. addition of PC0004 children's apparel when PC0003 babies' apparel is already included in the scope); or
- d. An audit has been conducted of the applicable site(s) and associated subcontractors for the product.

D2.8.4

The certification body may add processes to the scope of certification when one of the following criteria has been met:

- a. The process is included in the scope of one or more of the organization's independently certified subcontractors, and is limited to being done by those subcontractors;
- b. The process is PR0025 (retail sales), PR0030 (trading), PR0035 (brand), or PR0041 (buying house);
- c. The process is PR0031 (warehousing, distribution) for a facility which conducts other processes requiring physical possession of claimed materials; or
- d. An audit has been conducted of the applicable site(s) and associated subcontractors for the process.

D2.8.5

The certification body may update the name of a site or associated subcontractor without conducting an audit provided that there is no fundamental change in the personnel, processes, or systems used for certification at the site or associated subcontractor and provided that the physical location remains the same.

D2.8.6

If a site or associated subcontractor which takes physical possession of claimed materials moves to a new location, it shall be treated as a new site.

D2.9 Transfer of Scope Certificates Between Certification Bodies

D2.9.1

When an organization changes certification bodies due to the voluntary or involuntary withdrawal of the preceding certification body's licensing, the preceding and succeeding certification bodies shall meet the criteria included in *ASR-112 Procedure for the Withdrawal of Certification Body Licensing*. Under

certain circumstances an abbreviated transfer audit may be permitted (see ASR-112-V2.0, C3.4).

D2.9.2

When an organization changes certification bodies for any reason other than as specified in D2.9.1, the criteria of ACP 2.1, D4.12 apply.

D3. Criteria for Specific Types of Facilities

D3.1 Auditing of Brands

The purpose of this section is to outline specific auditing criteria for brand sites. The criteria below do not represent an exhaustive list of all the auditing requirements a certification body must perform. The criteria are intended to clarify some unique situations that exist for brands.

D3.1.1

The certification body shall conduct audits for *licensee brands* according to the following:

- a. The licensee brand falls under the definition of a *brand* even if they do not assume ownership over the brand entity (i.e. the licensee brand controls the design and production of the product even if they don't own the trademarks for the name);
- b. The licensee brand needs to be certified to make product-related claims;
- c. Brands that are licensing their name to other companies need to be certified only for products where they control the design and development; and
- d. Certification for both a licensee brand and a brand which is licensing their name to other companies shall be limited to the products within that brand's ownership.

EXAMPLE: Brand A controls the design and production of products under their name in the United States. Brand A licenses their name to Company B, who controls the design and production of products under the name of Brand A in Europe. Company B is a licensee brand. Brand A and Company B may each become certified as a brand for the products they produce.

EXAMPLE: Retailer C hires Company D to manage the design and production of Retailer C's private label products. Company D manages the design and production of products with Retailer C's approval, then sells the products to Retailer C. Retailer C is the brand and Company D is not a licensee brand.

NOTE: Multi-site or group certification (see D3.2) may apply to brands once final versions of CCS-106 and CCS-107 are published. Once published, this section will be updated.

D3.1.2 The certification body shall audit the brand's applicable sections of the CCS as detailed in CCS 3.1, section B3 Certification Criteria and in accordance with Appendix C: Auditing of Facilities Based on Risk Level within this document. The audit type may vary depending on their risk designation requirements in D2.3.3.

D3.1.3 The certification body should not conduct routine annual audits for brand facilities that only have the "PR0031 Warehousing/distribution" process category (except for the required minimums in D2.3.3), if:

- a. The storage facility does not store claimed materials other than final products which are clearly identifiable (e.g. finished garments/product that are ready for individual consumers);
- b. *Removed*; and
- c. The certification body reviews the on-product use of claims and logos by other means (e.g. photographic evidence).

D3.1.4 The certification body shall audit a distribution or warehouse facility which does not otherwise require auditing under D3.1.3 when doing so is relevant for investigation of a complaint or other concern with the traceability of products at the site. Such audits shall be conducted as hybrid or on-site audits.

D3.1.5 If the brand has products with on-product claims available for retail sale (directly or through other retailers, including online retail) at the time of the audit or during the validity of the previous scope certificate, the certification body may conduct **sampling at retail** to meet the auditing criteria in Appendix C. In this case, the certification body shall:

- a. Identify a sample of a product with on-product claims for review by purchasing the product at retail (e.g. in-store, online order available to consumers) or by photographing the product in-store;
- b. Make efforts to avoid the brand choosing which product will be sampled;
- c. Provide either the sampled product or images of the product (e.g. photos of hang-tags and sew-in labels) to the brand;
- d. Request that the brand demonstrate their tracking system or records that link the product back to the incoming purchasing documentation and transaction certificate as part of the demonstration of conformity for CCS 3.1, E4.2;
- e. Request that the brand demonstrate that an appropriate claims approval is in place; and,
- f. Conduct this check a minimum of once per brand audit.

EXAMPLE: A brand sells products to a wholesaler who sells the products to various retailers. The certification body visits a retailer who sells the brand's products and takes photos in the store of the on-product claims as well as other identifying information (such as sew-in labels). The photos are provided to the brand for review during the audit. The brand is not expected to be able to identify or be aware of the specific retailer who sold the product, but is expected to link the product to an incoming transaction certificate and to a claims approval.

NOTE: Sampling at retail is not mandatory and may be replaced with audits of distribution facilities (see Appendix C). The certification body may choose to do additional sampling at retail in addition to what is done to meet the criteria of Appendix C.

D3.1.6 Brand distribution facilities, including both brand-owned/operated sites as well as subcontractors are not required to be listed on the scope certificate. The certification body shall ensure that they may audit these facilities if necessary.

D3.1.7 The following shall be included as sites in the scope of a brand's certification. All brand functions may be audited remotely, and auditing shall be conducted to fully evaluate the brand's functions. A site does not need to be audited directly if that site's functions are evaluated by the certification body during the audit of another site.

- a. The site acting as the brand's main site for the purpose of certification;
- b. Any site named as the buyer on incoming transaction certificates;
- c. Any site purchasing products on behalf of the brand, unless the site is acting as a non-certified trader (see CCS 3.1, B1.2); and
- d. Any site which takes responsibility for claims approvals.

EXAMPLE: A purchasing office is named as the buyer on some of the brand's incoming transaction certificates, but the certification body can audit all documentation relating to that purchasing office during the audit of the brand's headquarters. The purchasing office is required to be listed on the scope certificate but is not audited separately.

NOTE: When a parent company owns multiple brands which function as independent entities, the parent company may hold a scope certificate for their brands, or the brands may be individually certified.

D3.1.8 If a brand is conducting any processing which is considered to be minor in nature (see CCS-201-V3.1 CCS User Manual, B1.5) and no other processing, the brand shall not be treated as a processor for the purpose of auditing. Process codes for auditing which is minor in nature shall not be listed on the scope certificate.

D3.2 Multi-Site and Group Organizations

- D3.2.1** When auditing multi-site and group organizations, the certification body shall meet the criteria of CCS-106 or CCS-107 for applicable audits and scope certificates. Otherwise, the certification body shall audit all sites annually.
- D3.2.2** The certification body shall only approve the addition of a new site to the scope certificate if:
- a. The organization has demonstrated that the site is eligible to be included on the scope certificate (see CCS 3.1, F1.1);
 - b. The certification body has either:
 - i. Conducted an audit of the site as required for an initial audit (see D2.3.3);
 - ii. Confirmed that the applicable criteria of CCS-106 or CCS-107 have been met for scope certificates which fall under those policies; or
 - iii. Confirmed that the site does not take physical possession of claimed materials and is only conducting administrative functions (e.g. invoicing) which have been fully evaluated by the certification body;
 - c. All critical and major non-conformities for the site have been closed; and
 - d. The certification body is able to conduct the certification decision and approve the site joining the scope certificate within 60 calendar days of the audit the certification body conducted of the site (if applicable).
- D3.2.3** During an initial or recertification audit of a multi-site scope certificate, all site audits shall be conducted over a maximum of 60 calendar days.

NOTE: ACP 2.1, D4.6.8 requires that certification decisions be completed within 60 days of the audit. The 60-day timeline begins with the closing meeting of the audit following the completion of all auditing activities (e.g. all site visits). Delaying the closing meeting after other audit activities are complete in order to extend this timeline is not permitted.

D3.3 Management of Non-Certified Traders

- D3.3.1** When a certified organization notifies the certification body that they intend to sell products to a trader who is not required to be certified (see CCS 3.1, B1.2), the certification body shall:
- a. Ensure that the trader meets the criteria of CCS 3.1, B1.2;

- b. Take responsibility for issuing the transaction certificate listing the certified organization (i.e. the trader's supplier) as the seller and the trader's customer as the buyer, including review of **financial records and** other documentation for both sales of the product; and
- c. Ensure that the trader is named on the transaction certificate, as described in *ASR-104 Policy for Transaction Certificates*.

D3.3.2 The certification body shall not reject a request under D3.3.1 unless:

- a. The criteria of CCS 3.1, B1.2 are not met;
- b. Documentation sufficient to document the sales through to the trader's customer is not provided; and/or
- c. The certification body suspects fraudulent activity, in which case the certification body shall file a complaint with Textile Exchange as per *ASR-110 Complaints and Feedback Policy*.

D3.4 Management of Independently Certified Subcontractors

D3.4.1 If a subcontractor is independently certified to the Standard, the certification body shall not conduct any additional audits of the subcontractor (i.e. outside of the scope of the subcontractor's scope certificate) unless the subcontracted product and/or its relevant process is not listed on the independently certified subcontractor's scope certificate. The subcontractor's responsible certification body shall give the independently certified subcontractor the opportunity – through its normal procedures – to add the product and required process to avoid the duplicative audit.

D3.4.2 When an independently certified subcontractor is included in an organization's scope, the certification body shall obtain the volume of certified material that is being processed for other entities by doing the following:

- a. If the organization and the subcontractor are certified with the same certification body, ensure that outsourcing volumes from the organization are noted for the subcontractor's audit; or
- b. If the organization and the subcontractor are certified by different certification bodies, notify the subcontractor's certification body of the outsourcing activity and volumes, and communicate about activity and volumes when requested to do so by the other certification body.

NOTE: The intention of D3.4.2 is to ensure that the independently certified subcontractor's certification body and auditor are aware of materials which have been handled by the subcontractor since

there are no transaction certificates for this work. This allows the auditor to ensure that the volume control and volume reconciliation systems include all applicable volumes.

- D3.4.3** If a certification body has concerns that a subcontractor which is independently certified by another certification body is not meeting the criteria of the Standard, the certification body should submit a complaint about the subcontractor to the subcontractor's certification body, or to Textile Exchange if there is no satisfactory resolution with the subcontractor's certification body.
- D3.4.4** When auditing an organization which acts as an independently certified subcontractor for other organizations, the certification body shall include all certified products processed by the organization in its evaluation, even if the auditee does not own the product.
- D3.4.5** If a subcontractor is independently certified to the GRS, that subcontractor may be used as an independently certified subcontractor for RCS. In all other cases, the subcontractor shall be independently certified to the same Standard to qualify as an independently certified subcontractor.
- D3.4.6** A subcontractor facility shall not be listed on the scope certificate or audited as an associated subcontractor if they are independently certified to the same Textile Exchange standard since they hold an independent scope certificate.

D3.5 Auditing of Associated Subcontractors

- D3.5.1** Risk-based audits of **associated subcontractors** shall be conducted according to the audit frequency and intensity levels indicated in Appendix C: Auditing of Facilities Based on Risk Level.
- D3.5.2** Risk-based audits of **subcontractors added to the scope certificate outside of an initial or recertification audit** shall be conducted according to the audit frequency and intensity levels indicated in Appendix C: Auditing of Facilities Based on Risk Level.

D3.6 Auditing of Distribution Sites

- D3.6.1** When auditing a distribution site, the certification body shall include sampling of products to compare physical inventory to recorded inventory. Where claimed materials are not available, non-claimed products may be checked to verify the functioning of the system.

D4. Audit Types

See *ASR-114 Audit and Assessment Methods Policy* for details on how each type of audit shall be conducted.

D5. Critical Practices

Specific to the worst forms of child labor, as defined by *ILO C182 – Worst Forms of Child Labour Convention, 1999 (No. 182)* and forced labor, as defined by *ILO C029 – Forced Labour Convention, 1930 (No. 29)*, it is expected that no organization certified under Textile Exchange standards violates these fundamental human rights as afforded by Customary International Law. Certification bodies have the authority to issue a critical non-conformity should such practices be taking place and Textile Exchange has the authority to ban such organizations from future certification.

D5.1 Avoidance of Unacceptable Practices

D5.1.1 The certification body shall issue a critical non-conformity to any organization or site where evidence suggests that any of the following practices (collectively, the “unacceptable practices”) are occurring:

- a. The worst forms of child labor, as defined by *ILO C182 – Worst Forms of Child Labour Convention, 1999 (No. 138 and No. 182)*; or
- b. Forced and compulsory labor, as defined by *ILO C029 – Forced Labour Convention, 1930 (No. 29 and No.105)*.

D5.1.2 The certification body is not required to actively evaluate the organization against the criteria identified in D5.1.1 unless otherwise required by the Standard, but should take action if any evidence of the unacceptable practices occurring is identified.

D5.2 Legal Compliance

D5.2.1 The certification body is not required to actively evaluate legal compliance except where this is applicable to the particular Standard. However, the certification body shall issue a non-conformity if the organization is identified to be out of legal compliance during the audit. The non-conformity may be minor, major, or critical depending on the scale and importance of the legal compliance.

EXAMPLE 1: An organization undergoes an initial audit for both GRS and RCS at the same time. During the audit, legal non-compliances with criteria relating to the GRS environmental module are identified. A non-conformity relating to the legal non-compliances shall be issued as part of the RCS audit, as well as for the GRS audit.

EXAMPLE 2: During an OCS audit, the auditor notices violations of applicable legal health and safety criteria. A non-conformity relating to the legal non-compliances shall be issued.

Section E - Criteria for Scope and Transaction Certificates

This section includes criteria for the issuing of scope and transaction certificates and is supplemental to *ASR-103 Policy for Scope Certificates* and *ASR-104 Policy for Transaction Certificates*.

E1. Scope Certificates

E1.1 Issuing Scope Certificates

- E1.1.1** The certification body shall ensure that all information included on the scope certificate is consistent with evidence reviewed during the audit, including the following:
- a. All process categories are possible for the site based on the machinery and capabilities observed during the audit;
 - b. All listed product categories, product details, and raw materials can technically be processed by the site (e.g. capable machinery); and
 - c. The site is capable of producing the specified products, based on input materials and process categories.
- E1.1.2** The certification body shall only issue or reissue a scope certificate following the completion of an audit and a positive certification decision.
- E1.1.3** The certification body may amend a scope certificate during the certification period to add or remove facilities, products, or processes to/from the scope of certification, or to update information in accordance with D2.8.
- E1.1.4** The certification body may but is not required to amend the scope certificate solely to update the certification body and/or expiry date for independently certified subcontractors. This information shall be updated whenever the scope certificate is amended and when it is reissued upon recertification.

E2. Transaction Certificates

E2.1 Issuing Transaction Certificates

- E2.1.1** The certification body shall review documents and quantities before issuing a transaction certificate, with all claimed material inputs accounted for through valid incoming transaction certificates (except where otherwise allowed by a primary

Standard). At a minimum, the certification body shall check documents and quantities against the criteria of the CCS as well as the following:

- a. Copies of invoices, shipping documents, and transaction certificates for the inputs to the claimed material;
- b. Quantities of stock on hand for inputs intended for the claimed material;
- c. Expected loss factor in the production per process, type of product category/details, facility, and scope certificate;
- d. Quantities of claimed material shipped, in stock, and not available for certification claims (e.g. sold without certification claims, sold with claims to another standard, or damaged);
- e. Copies of invoices and shipping documents for outgoing claimed material, including the shipping bill from the shipping company where applicable;
- f. Financial records (e.g. bank receipt, SWIFT, letter of credit (LC), Income tax records) to document the purchase and sale of the claimed materials, matching the physical product documents (e.g. invoice, purchase order, country of origin document, transport documents) against the buyer, seller, value, and transaction date information; and

NOTE: If payment terms require a transaction certificate for outgoing product before payment is issued, the certification body may review the financial records as part of the annual assessment, which may be done on a risk-based review (see D2.1.2) rather than for every transaction certificate.

- g. Test reports of input product quality and output product quality in order to compare quality specifications.

E2.1.2 The certification body should request all of the documents in E2.1.1 for non-claimed material used in blending/mixing with certified material.

E2.1.3 The certification body shall check the following documents, where applicable and relevant:

- a. Government issued sales or value added tax receipt for the claimed material (e.g. Eway Bills (India) and Fapiao (China));
- b. Third- or second-party product quality test reports for inputs and outputs (required in all cases);
- c. Documentation to validate the identity of the claimed materials, quality, and quantities;

- d. Composition calculations; and
- e. Where a subcontractor processed the product in the transaction certificate, documentation (e.g. processing invoice, transport document) of the subcontractors who handled the material while it was owned by the organization.

E2.1.4 The certification body shall evaluate the authenticity of documentation provided, including confirming the authenticity of the incoming transaction certificate(s) via their own system if the same certification body issued the incoming transaction certificate or as identified at www.TextileExchange.org/Certificates if the transaction certificate was issued by another certification body.

E2.1.5 If the responsibility for transportation switches between the seller and the buyer, the certification body shall review transport documentation showing the movement of all materials from the consignee location named on the incoming transaction certificate to the consignee location named on the outgoing transaction certificate.

NOTE: The consignee location may be a port or other intermediate location if that is where the responsibility for transportation switches between the seller and the buyer. See *ASR-103 Policy for Scope Certificates* for further details.

E2.1.6 The certification body may review composition calculations per product listed on the scope certificate where the exact composition does not change between shipments.

E2.1.7 The certification body shall compare the products to those listed in the scope certificate to ensure they are authorized and that it is technically possible for the claimed products to be produced with the claimed input material using the processes and capacity of the production facility listed on the scope certificate.

E2.1.8 Before issuing a transaction certificate, the certification body shall perform a volume reconciliation (taking into account production loss) that reviews available inventory to ensure that enough certified input was available.

E2.1.9 The certification body shall not issue a transaction certificate for a sale of claimed materials which were previously claimed under a non-Textile Exchange standard for the same attribute.

EXAMPLE: A sale of recycled materials was originally included on a transaction certificate for a certification body-owned recycled material standard. The buyer requests that an RCS transaction certificate be issued instead. This is not permitted.

EXAMPLE: A product was included on the transaction certificate for another standard which provides chain of custody for organic materials. The other standard's transaction certificate was invalidated. The product is not eligible for an OCS transaction certificate.

E2.1.10 The certification body shall not issue a transaction certificate for a sale of claimed materials which were included on a previous transaction certificate by the same seller unless the previous transaction certificate has been invalidated and the claimed materials were returned to the seller (i.e. this is for a new sale of the materials).

E2.1.11 If a certification body (the “buyer’s certification body”) receives an incoming transaction certificate issued by another certification body (the “seller’s certification body”) as part of the evidence to issue a new transaction certificate, and the buyer’s certification body identifies errors on the incoming transaction certificate, the buyer’s certification body shall take the following actions:

- a. Authenticate the transaction certificate as specified at www.TextileExchange.org/Certificates;
- b. Identify the errors and request that the seller’s certification body correct the transaction certificate;
- c. If the seller’s certification body is unable or unwilling to correct the transaction certificate, the buyer’s certification body shall:
 - i. Notify the seller’s certification body’s accreditation body of the issue;
 - ii. File a formal complaint with Textile Exchange, including providing a copy of the incoming transaction certificate; and
 - iii. If the buyer’s certification body is confident that all required information is available and correct, proceed to issue the outgoing transaction certificate.

NOTE: In the case that the seller’s certification body is no longer a licensed certification body for the Standard, no modification to the incoming transaction certificate will be possible, so the process in E2.1.11.c will apply.

E2.2 Amendment and Invalidation of Transaction Certificates

E2.2.1 After it is issued, the transaction certificate may be amended in the following ways by the issuing certification body:

- a. To reduce the quantity of claimed material included on the transaction certificate, if further evidence shows that it was inaccurate or in the case of some materials being returned to the supplier;

- b. To correct typographical errors (including increasing the quantity of claimed materials), within fourteen calendar days of issuance only;
- c. To downgrade the claim from GRS to RCS;
- d. To upgrade the claim from RCS to GRS, provided that:
 - i. The order was eligible to be sold as GRS (including but not limited to the seller having GRS certification in place and all processing criteria being met); and
 - ii. The issuing certification body confirms that the transaction certificate has not been used as the input to any other transaction certificates (with confirmation from the buyer's certification body if needed);
- e. To correct name and address information for the buyer, if further evidence shows that it was inaccurate (e.g. the consignee was incorrectly named as the buyer); or
- f. For other reasons, with approval from Textile Exchange which is requested through the exemptions process.

E2.2.2

The certification body shall invalidate a transaction certificate if the certification body learns that any of the following apply:

- a. The organization presented falsified or fraudulent documents to obtain the transaction certificate;
- b. The certification body identifies that they issued the transaction certificate in error;
- c. The applicable input transaction certificate is invalidated;
- d. The claimed materials/products are otherwise shown to be ineligible for the claim being made; or

NOTE: In the case that a claimed material is shown not to be eligible for a GRS transaction certificate due to not meeting the criteria of the social, chemical, or environmental modules of the GRS, the transaction certificate may be downgraded to RCS. See E2.2.1.c.

- e. Upon request from the seller, e.g. when claimed materials have been returned to the seller.

E2.2.3

If a transaction certificate is amended or invalidated after it is issued, the certification body shall ensure that an updated transaction certificate or notice of invalidation is provided to the buyer's certification body (if applicable) and to the

buyer. The organization may take responsibility to notify the buyer provided that documentation of this is provided to the certification body.

E2.2.4

The certification body shall report all amended or invalidated transaction certificates directly into Textile Exchange's database following specified timelines for transaction certificate data, and shall include the following information:

- a. Certification body name;
- b. Standard;
- c. Transaction certificate number, excluding the supplier's license number;
- d. The seller's name and license number;
- e. The buyer's name, certification body (if applicable), and license number;
- f. The claimed material and certified weight in kg;
- g. The dates the transaction certificate was issued, altered, and declared invalid (as applicable); and
- h. The certification body, transaction certificate number, standard, and certified weight from the incoming transaction certificate.

NOTE: Textile Exchange may publish a public list of invalid transaction certificates showing the certification body name, the standard, and the transaction certificate number only. Textile Exchange may also share details of an invalid transaction certificate excluding details of the input transaction certificate with the buyer's certification body.

E2.2.5

If the certification body chooses to share information about amended and/or invalidated transaction certificates to all certification bodies or publicly, the information shared should be limited to information which does not identify the seller or buyer such as the transaction certificate number, issue date, and buyer's certification body. In particular, the certification body should ensure that information shared does not allow someone to find full details of the transaction certificate via the [Textile Exchange Transaction Certificate Verification Portal](#).

Section F - Claims

This section shall be used for all claims approvals issued under *TE-301 Standards Claims Policy*. See also C1.2 for claims criteria for accreditation bodies, including evaluation of claims made by the certification body.

F1. Claims Approvals

F1.1 Claims Approvals

- F1.1.1** The certification body shall designate one or more personnel as claims approvers.
- F1.1.2** The certification body shall provide training sufficient to ensure that claims approvals are only issued when all applicable criteria are met.

NOTE: Textile Exchange may provide and require specific training for claims approvers in the future.

F1.2 Issuing Claims Approvals for Assured Claims

- F1.2.1** The certification body shall only issue claims approvals to:
- An organization which holds a valid scope certificate with the same certification body for claims within the scope of certification;
 - A retailer who is certified with the same certification body and selling another certified brand's products; or
 - A non-certified retailer selling a certified brand's products.
- F1.2.2** The certification body shall provide a claims approval application form upon request to their certified clients and any non-certified retailers to whom the certification body has agreed to issue claims approvals. The form shall include all elements specified in *TE-303 Claim Approval Application Form*, though the certification body may specify an alternative format for submissions. The certification body may pre-fill information about the organization on the form (e.g. via a database).
- F1.2.3** Upon receipt of a complete claims approval application, a claims approver shall review the proposed claims and artwork to ensure that the criteria of *TE-301 Standards Claims Policy* and *TE-302 Standards Logo Use Specifications* are met.

NOTE: The certification body may accept claims approval applications from another party such as a design agency or certified supplier who is authorized by the certified organization to submit claims approval applications on the certified organization's behalf.

F1.2.4 If an informational statement appears next to or near an assured claim, a claims approver shall review the statement for accuracy with Section D of *TE-301 Standards Claims Policy*.

F1.2.5 The certification body shall provide a response to each new and updated claims approval application within seven calendar days.

F1.2.6 Once a claims approval application is determined to be correct and complete by a claims approver, the certification body shall provide a formal approval to the organization.

F1.2.7 A copy of each claims approval shall be emailed to Textile Exchange at approvals@textileexchange.org, or shall be submitted to Textile Exchange through alternative formats which may be made available by Textile Exchange.

F1.2.8 As part of the claims approval process, the certification body should review any on-product claims approval applications which are made with the license code of a certified organization which is not a brand (i.e. scope certificate does not list PR0035) to ensure that final products are not labeled without the brand being certified.

F1.3 Pre-Approval of Claims

F1.3.1 The certification body may review claims approval applications from brands prior to the initial certification and may issue a pre-approval. A final approval shall not be issued prior to certification.

F1.3.2 When issuing pre-approvals, the certification body shall ensure that the brand does not make any public facing claims based on the pre-approval prior to receiving a final approval.

F2. Review of Existing Claims

F2.1 Auditing of Claims

F2.1.1 During each audit, the certification body shall review all claims being made by the organization to ensure that:

- a. A valid claims approval is in place from a certification body for all assured claims;

- b. Only eligible products are labeled, and each label corresponds with the product in terms of label grade and material composition as indicated in *TE-301-V1.2 Standards Claims Policy*, section B3. General Guidelines – Product-related Claims); and
- c. If an informational statement is made in relation to or near a product-related claim (e.g. on a hangtag or on a product page), the statement is accurate and aligns with the allowed language in *TE-301-V1.2 Standards Claims Policy*, Section D2.

F2.1.2 The certification body shall sample the lesser of either ten approved claims or of \sqrt{n} claims where n is the total number of approved claims.

F2.1.3 The certification body shall check consistency between approved artwork claims and incoming transaction certificates using the below sampling method:

Number of incoming transaction certificates received in the last 12 months	Number of incoming transaction certificates for which approved artwork claims shall be checked
1 to 4	All transaction certificates.
5 to 100	At least 5 transaction certificates.
101 to 1000	At least 10 transaction certificates or 5% of the total rounded up to the nearest whole number, whichever is less.
>1001	At least 1% or half the square root of the total number of transaction certificates rounded up to the nearest whole number, whichever is less.

NOTE: A claims approver may assist the auditor with this review and should be involved in case there is any question on whether a claim meets all applicable criteria.

F2.1.4 Claims which imply that the Standard addresses an element which it does not address (e.g. product quality) shall not be made. Claims about such elements may appear on the product provided they are clearly separated from claims about the Standard. The certification body should request examples of any hangtag or packaging modifications for each applicable country prior to issuing a claims approval.

F2.2 Reporting Claims Misuse

- F2.2.1** If the certification body identifies any claims misuse by an organization that is not currently certified or in the application process with the same certification body, the certification body should report these claims to Textile Exchange by filing a complaint with Textile Exchange through the [online complaint form](#) as per *ASR-110 Complaints and Feedback Policy*.

F3. Claims by the Certification Body

F3.1 Claims as a Certification Body

- F3.1.1** The certification body shall ensure that they meet the criteria of *TE-301 Standards Claims Policy* for any claims made publicly (e.g. on the certification body's website) about Textile Exchange and Textile Exchange standards.

Appendix A – Definitions

Refer to [TE-101 Terms and Definitions for Textile Exchange Standards and Related Documents](#) for definitions of terms used in these procedures. Key definitions are included below. Defined terms are shown in *italics* in their first use in this document.

Brand: An organization that controls the design, development, and purchase of final products for sale under their own name or private label. Brands may sell to wholesalers, retailers, or directly to consumers. This does not include organizations who sell a branded intermediate product for use in further processing steps.

Brand Distributor: See *Distributor*.

Distributor: A site which takes physical possession of claimed material, but which is not a processor and does not transform products, including any (re)packaging which affects labeling or identification of materials (e.g. bagging of bulk down, or applying a logo to finished products).

Initial Audit: The first audit performed by a certification body for the standard. If an organization has a gap in certification of over 180 calendar days or changes certification bodies, any audit after this period would be an initial audit. See D2.3.5.

Licensee Brand: A company that is licensing the name of another brand for the purpose of putting this marketing on a finished good. In this case, the licensee brand does not assume ownership over the licensed brand name but does control the design and production process of the product. The licensee brand does not sell products to the company who owns the brand name. See also *Brand*.

Physical possession: The physical custody or control of goods in material form. Physical possession is different from ownership of goods, where an entity acquires the proprietary rights over the goods.

For example, when a processor sends materials to a subcontractor, they merely transfer the physical possession and not the ownership of materials. Here, the processor is the owner of the materials but does not have physical possession of materials, and the subcontractor has physical possession of materials but is not the owner.

Different actors in the supply chain such as processors, wholesalers, distributors, and retailers usually take physical possession of materials and products. Others, such as traders, do not take physical possession due to their intermediary function. Brands sometimes take physical possession depending on their commercial operations setup. Textile Exchange standards intend to cover the different arrangements among supply chain participants while guaranteeing the integrity of the verified materials and products.

Retailer: An organization which sells products to individual consumers. Includes both physical stores and online sales, and may or may not also be the brand. The definition of retailer includes distribution centers which are controlled by the retailer.

Subcontracted Distributor: A third-party distribution and/or logistics center that has been contracted to handle finished goods on behalf of the brand with the intent to distribute to customer, wholesale, or retail channels. See also *Distributor*.

Appendix B – Risk Assessment of Facilities

The tables below shall be used by the certification body to assign a risk level for each site and subcontractor prior to each audit and before a site is added to a scope certificate (see clause D2.2.3). For more details on referenced process categories, see *ASR-213 Materials, Processes, and Products Classification*.

Appendix B1. Risk Assessment of Sites

High Risk	Medium Risk	Low Risk
The site is designated high risk if the answer is “yes” to any of the questions in a.-i.:	The site is designated medium risk if the answer is “no” to all of the questions in a.-i. and “yes” to any of the questions in j.-l.:	The site is designated low risk if the answer is “no” to all of the questions in a.-l. and “yes” to any of the questions in m.-o.:
a. Has the site has been previously banned from certification by Textile Exchange (see <i>ASR-225 List of Banned Organizations</i>)?		
b. Is the site currently banned or has been previously banned (or equivalent) from certification by GOTS or by an ISEAL Code Compliant Member certification standard?		
c. Removed		
d. If the Standard is GRS, does the site takes physical possession of claimed material, where inputs are not final products ?		
e. Does the site first produce or process the claimed material volume (e.g. farm, recycler), i.e. no input		

High Risk		Medium Risk		Low Risk	
The site is designated high risk if the answer is “yes” to any of the questions in a.-i.:		The site is designated medium risk if the answer is “no” to all of the questions in a.-i. and “yes” to any of the questions in j.-l.:		The site is designated low risk if the answer is “no” to all of the questions in a.-l. and “yes” to any of the questions in m.-o.:	
transaction certificates are possible?					
f. Does the site receive inputs from an approved non-Textile Exchange standard (e.g. an approved organic standard for OCS, or a standard with equivalency based on ASR-106 Accepted Equivalent Standards)?					
g. Has the site had one or more critical non-conformities issued for the scope certificate in the past 24 months , including during the previous two audits?		j. Has the site had minor non-conformities relating to CCS 3.1 Section C3 Volume Reconciliation and Section D Processing and Handling Criteria issued during or since the last audit?		m. Is the site already certified to the Standard , or certified to another standard which includes evaluation to the CCS for the same processes? NOTE: Does not apply if GRS is the new standard being assessed.	
h. Has the site had one or more major non-conformities issued for the scope certificate in the past 12 months , including during the previous audit?		k. Are the answers to low risk criteria m. and n. 'no'?		n. Does the site exclusively handle claimed materials? or Are all claimed materials present at the site final products? or Does the site not have physical possession of claimed materials?	
i. Does the site conduct any of the following high risk processes?		l. Does the site conduct any of the following medium risk processes?		o. Does the site conduct exclusively the following low risk processes?	
PR0001	Boiling	PR0008	Dyeing (except for OCS plant fibers)	PR0000	No processing
PR0007	Down processing (RDS)	PR0012	Finishing (except for OCS plant fibers)	PR0035	Brand

High Risk		Medium Risk		Low Risk	
The site is designated high risk if the answer is “yes” to any of the questions in a.-i.:		The site is designated medium risk if the answer is “no” to all of the questions in a.-i. <u>and</u> “yes” to any of the questions in j.-l.:		The site is designated low risk if the answer is “no” to all of the questions in a.-l. <u>and</u> “yes” to any of the questions in m.-o.:	
PR0008	Dyeing (OCS plant fibers, e.g. cotton)	PR0015	Knitting	PR0041	Buying house
PR0010	Extrusion	PR0016	Manufacturing	PR0009	Embroidery, embellishment
PR0012	Finishing (OCS plant fibers)	PR0021	Pre-treatment	PR0020	Packing
PR0018	Molding	PR0022	Preparatory	PR0025	Retail sales
PR0019	Non-woven manufacturing	PR0023	Printing	PR0030	Trading
PR0024	Pulp making	PR0040	Scouring (except OCS)	PR0031	Warehousing, distribution
PR0027	Spinning	PR0028	Tanning	PR0032	Washing, laundering
PR0034	Other	PR0029	Top making		
		PR0033	Weaving		

NOTE 1: The certification body requires permission from assurance@textileexchange.org to use “PR0034 Other”. Textile Exchange may specify specific exceptions to the high risk designation for processes which fall under this code.

NOTE 2: The following processes always represent primary scopes and are automatically high risk under risk criterion e. They are therefore excluded from this list.

PR0002 Breeding, PR0003 Biological recycling, PR0004 Chemical recycling, PR0005 Collecting, PR0006 Concentrating, PR0007 Down processing (GRS, RCS), PR0011 Farming (group), PR0036 Farming (individual), PR0037 Farming (area), PR0038 Farming (communal), PR0013 Ginning, PR0014 Hatching, PR0017 Mechanical recycling, PR0039 Retting, PR0040 Scouring (OCS)

Appendix B2. Risk Assessment of Associated Subcontractors

If the subcontractor is independently certified to another Textile Exchange standard for the same processes and the Standard is not GRS, questions e., f., l., j., k., l., m., and n. do not apply.

High Risk	Medium Risk	Low Risk
The subcontractor is designated high risk if the answer is “yes” to any of the questions in a.-l.:	The subcontractor is designated medium risk if the answer is “yes” to any of the questions in m.- n.:	The subcontractor is designated low risk if the answer is “yes” to any of the questions in o.-q.:
a. Has the subcontractor been previously banned from certification by Textile Exchange. See <i>ASR-225 List of Banned Organizations</i> ?		
b. Is the subcontractor currently banned or has been previously banned (or equivalent) from certification by GOTS or an ISEAL member standard?		
c. Removed		
d. Is the Standard GRS, where inputs are not final products ?		
e. Does the subcontractor first produce or process the claimed material volume (e.g. farm, recycler), i.e. no input transaction certificates are possible?		
f. Does the subcontractor receive inputs from an approved non-Textile Exchange standard (e.g. an approved organic standard for OCS, or a standard with equivalency based on <i>ASR-106 Accepted Equivalent Standards</i>)?		

High Risk	Medium Risk	Low Risk
The subcontractor is designated high risk if the answer is “yes” to any of the questions in a.-l.:	The subcontractor is designated medium risk if the answer is “yes” to any of the questions in m.- n.:	The subcontractor is designated low risk if the answer is “yes” to any of the questions in o.-q.:
g. Has the subcontractor had one or more <u>critical</u> non-conformities issued for the scope certificate in the past <u>24 months</u> , including during the previous two audits?		
h. Has the subcontractor had one or more <u>major</u> non-conformities issued for the scope certificate in the past <u>12 months</u> , including during the previous audit?		
i. Was the subcontractor previously certified to the Standard, and does not currently hold certification to a standard which includes evaluation to the CCS?		
j. If a processing subcontractor (i.e. the subcontractor has process codes other than PR0031 Warehousing & Distribution), do they receive product directly from the organization’s supplier(s) and the organization does not handle the product prior to processing?		
k. If a processing subcontractor, do they ship product directly to the organization’s buyer and the organization does not handle the product following processing?	m. Has the subcontractor had minor non-conformities relating to CCS 3.1 Section C3 Volume Reconciliation and Section D Processing and Handling Criteria issued during or since the last audit?	o. Is the subcontractor independently certified to another Textile Exchange standard for the same processes? NOTE: Does not apply if GRS standard is the new standard being assessed.
		p. Does the subcontractor exclusively handle claimed materials or exclusively certified finished product?

High Risk	Medium Risk	Low Risk
The subcontractor is designated high risk if the answer is “yes” to any of the questions in a.-l.:	The subcontractor is designated medium risk if the answer is “yes” to any of the questions in m.- n.:	The subcontractor is designated low risk if the answer is “yes” to any of the questions in o.-q.:
l. Does the subcontractor conduct any of the high risk processes listed in Appendix B1, i.?	n. Does the subcontractor conduct any of the medium risk processes listed in Appendix B1, l.?	q. Does the subcontractor conduct any of the following low risk processes listed in Appendix B1, o.?

Appendix C – Auditing of Facilities Based on Risk Level

The certification body shall use the table below to determine frequency and intensity of audits per the criteria in D2.3.1. If a site moves from lower risk level to a higher risk level as a result of the risk assessment, the certification body shall treat the risk level and frequency as if it were an initial audit (see clause D2.3.1c.).

Facility Type	High Risk	Medium Risk	Low Risk
1. Processors*, farms	a. On-site audit annually.	b.i. Initial audit (D2.4.4 does not apply): On-site audit. b.ii. Initial audit (D2.4.4 applies): Remote audit, and the next audit shall be on-site. b.iii. Recertification: On-site or hybrid audit annually.	c.i. Initial audit (D2.4.4 does not apply): On-site or hybrid audit. c.ii. Initial audit (D2.4.4 applies): Remote audit, and the next audit shall be on-site or hybrid. c.iii. Recertification: Audited annually. On-site or hybrid audit at least once every three years. Years two to three of the annual audit cycle may then be conducted as remote audits.
2. Supply chain distributors (handling unfinished product)	a. On-site or hybrid audit annually.	b.i. Initial audit (D2.4.4 does not apply): On-site or hybrid audit. b.ii. Initial audit (D2.4.4 applies): Remote audit, and the next audit shall be on-site or hybrid. b.iii. Recertification: Audited annually. On-site or hybrid audit at least once every three years. Years two to three of the annual audits cycle may then be conducted as remote audits.	c.i. Initial audit (D2.4.4 does not apply): On-site or hybrid audit. c.ii. Initial audit (D2.4.4 applies): Remote audit, and the next audit shall be on-site or hybrid. c.iii. Recertification: Audited annually. On-site or hybrid audit at least once every five years. Years two to four of the annual audits cycle may then be conducted as remote audits.

Facility Type	High Risk	Medium Risk	Low Risk
3. Brand	a. Remote audit annually for brand office and management functions (i.e. functions which do not involve physical handling of claimed material), plus additional auditing of facilities with physical possession of claimed material as specified in other rows of this table		
4. Distribution facilities handling exclusively <i>final products</i> (excluding independently certified subcontractors and retail stores)	a. On-site or hybrid audit annually.	b.i. Initial audit: On-site or hybrid audit of one representative facility. b.ii. Recertification: On-site or hybrid audit of one facility at least once every three years. Years two to three of the annual audits cycle may then be conducted as a remote audit of one representative facility <u>or</u> sampling at retail (see D3.1.5).	c.i. Initial audit: Remote audit of one representative facility b.ii. Recertification: Remote audit of one representative facility <u>or</u> sampling at retail (see D3.1.5).
		Representative facilities shall be selected so that the range of operations (e.g. geographic, products) is seen over time. Both sites and subcontractors <u>should</u> be selected over time where applicable.	
		Distribution facilities which are independently certified subcontractors are excluded from being selected for audit.	
5. Trader site that is required or chooses to be certified (see CCS 3.1 B1.2) or other site without physical possession of claimed materials	a. Remote audit annually.		
6. Retailer that is selling direct to consumers only	a. No certification required or allowed, unless the retailer is also the brand in which case row 3 of this table applies.		

Facility Type	High Risk	Medium Risk	Low Risk
	NOTE: No auditing of individual retail stores is required, including when the retailer is the brand.		
7. Associated subcontractor (excluding distribution subcontractors handling exclusively final products)	a. On-site audit annually.	b. On-site or hybrid audit at least once every three years. Years two to three of the annual audits cycle may then be conducted as remote audits.	c.i. Audit once every three years. A minimum of the square root of the total subcontractors per scope certificate shall be audited with an on-site or hybrid audit during the three year cycle. c.ii. Remaining audits in the three year cycle may be conducted as remote audits.
8. Associated subcontractor added to the scope certificate outside of an initial or recertification audit (excluding distribution subcontractors handling exclusively final products)	a. On-site audit prior to being added to the scope.	b. Audited prior to being added to the scope. A remote audit is permitted. However, only an on-site or hybrid audit may be counted towards the on-site auditing criterion in 7b.	c. May be added to the scope without an audit.

NOTE: As per ASR-213-V1.1 *Materials, Processes, & Products Classification*, all PR codes are processors, including farms, except for: PR0000, PR0025, PR0030, PR0031, PR0035, and PR0041.