



# Content Claim Standard Certification Procedures 3.0



CCS-102-V3.0-2022.03.31





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The *Content Claim Standard Certification Procedures 3.0* replaces *Content Claim Standard Certification Procedures 2.1* and is effective as of March 31, 2022. All assessments conducted after July 1, 2022 shall be conducted using the *Content Claim Standard Certification Procedures 3.0*. 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 3.0* 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](mailto: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

## Contents

<b>Section A - General Information.....</b>	<b>5</b>
A1. About the Content Claim Standard.....	5
A2. About Textile Exchange.....	5
A3. About the Certification Procedures.....	6
<b>Section B - References.....</b>	<b>7</b>
B1. Terms and Definitions.....	7
B2. Reference Documents.....	7
<b>Section C - Criteria for Accreditation Bodies.....</b>	<b>8</b>
C1. General Criteria.....	8
<b>Section D - Criteria for Certification Bodies.....</b>	<b>9</b>
D1. General Criteria.....	9
D1.1 Personnel Qualifications.....	9
D1.2 Reporting Criteria.....	9
D1.3 Allowable Use of the CCS.....	10
D2. General Auditing Criteria.....	10
D2.1 Additional Auditing Criteria.....	10
D2.2 Risk Assessment Process.....	11
D2.3 Auditing of Facilities Based on Risk Levels.....	13
D2.4 Multiple Certification.....	14
D2.5 Auditing of Volume Reconciliation.....	15
D2.6 Audit Conduct and Duration.....	17
D2.7 Grading of Non-Conformities.....	19
D3. Criteria for Specific Types of Facilities.....	20
D3.1 Auditing of Brands.....	20
D3.2 Multi-Site and Group Organizations.....	21
D3.3 Management of Non-Certified Traders.....	22
D3.4 Management of Independently Certified Subcontractors.....	23
D3.5 Auditing of Associated Subcontractors.....	23
D4. Audit Types.....	24

D4.1	On-Site Audits.....	24
D4.2	Hybrid Audits.....	24
D4.3	Remote Audits .....	25
D4.4	Semi-Announced and Unannounced Audits .....	25
D5.	Critical Practices .....	27
D5.1	Avoidance of Unacceptable Practices.....	28
D5.2	Legal Compliance .....	28
<b>Section E - Criteria for Scope and Transaction Certificates .....</b>		<b>29</b>
E1.	Scope Certificates.....	29
E1.1	Issuing Scope Certificates .....	29
E2.	Transaction Certificates .....	29
E2.1	Issuing Transaction Certificates .....	29
E2.2	Amendment and Invalidation of Transaction Certificates .....	31
<b>Section F - Claims.....</b>		<b>33</b>
F1.	Claims Approvals .....	33
F1.1	Claims Approvals .....	33
F1.2	Issuing Claims Approvals for Assured Claims .....	33
F1.3	Pre-Approval of Claims.....	34
F2.	Review of Existing Claims .....	34
F2.1	Auditing of Claims.....	34
F2.2	Reporting of Disallowed Claims.....	35
<b>Section G - Transfer of Certification Between Certification Bodies.....</b>		<b>36</b>
<b>Appendix A – Definitions .....</b>		<b>37</b>
<b>Appendix B – Risk Assessment of Facilities.....</b>		<b>38</b>
Appendix B1.	Risk Assessment of Sites.....	38
Appendix B2.	Risk Assessment of Associated Subcontractors .....	42
<b>Appendix C – Auditing of Facilities Based on Risk Level .....</b>		<b>46</b>
Appendix C1.	Maximum Number of Audits for Sites with Physical Possession of Claimed Materials .....	49

## 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](https://TextileExchange.org/Standards).

### A2. About Textile Exchange

Textile Exchange is a global nonprofit that creates leaders in the sustainable fiber and materials industry. The organization develops, manages, and promotes a suite of leading industry standards as well as collects and publishes vital industry data and insights that enable brands and retailers to measure, manage, and track their use of preferred fiber and materials.



With a membership that represents leading brands, retailers, and suppliers, Textile Exchange has, for years, been positively impacting climate through accelerating the use of preferred fibers across the global textile industry and is now making it an imperative goal through its 2030 Strategy: Climate+. Under the Climate+ strategic direction, Textile Exchange will be the driving force for urgent climate action with a goal of 45% reduced CO<sub>2</sub> emissions from textile fiber and material production by 2030.



## 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 V3.0 have been developed as a supplemental document to align with the Content Claim Standard V3.0.

**A3.1.1** The following implementation timelines apply:

- a. The *Content Claim Standard Certification Procedures 3.0* replaces the *Content Claim Standard Certification Procedures 2.1* and is effective as of March 31, 2022.
- b. All audits and assessments conducted on or after July 1, 2022 or using the *Content Claim Standard (CCS) 3.0* shall be conducted using the *Content Claim Standard Certification Procedures 3.0*.
- c. As an exception to the *brand* certification requirement according to *CCS-101-V3.0 Content Claim Standard*, section B1.1: **Brands are not required to be certified to CCS 3.0 until April 1, 2023.**

## 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.

- a. [CCS-101-V3.0 Content Claim Standard](#) (“CCS”)
- b. [CCS-105 Policy for Alternative Volume Reconciliation](#) (VR2)
- c. *CCS-106 Policy for Supply Chain Group Certification*
- d. *CCS-107 Policy for Multi-Site Certification with Sampling of Sites*
- 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-112 Procedure for the Withdrawal of Certification Body Licensing](#)
- j. [ASR-213 Materials, Processes, & Products Classification](#)
- k. [TE-101 Terms and Definitions for Textile Exchange Standards](#)
- l. [TE-301 Standards Claims Policy](#)
- m. *ILO C182 – Worst Forms of Child Labour Convention, 1999 (No. 138 and 182)*
- n. *ILO C029 – Forced Labour Convention, 1930 (No. 29 and 105)*

## Section C - Criteria for Accreditation Bodies

### C1. General Criteria

- 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](mailto:Assurance@TextileExchange.org).



## 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.

#### D1.2 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 3.0; 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 five 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 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 primary 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 comply with all criteria in the *ASR-101 Accreditation and Certification Procedures for Textile Exchange Standard*.

### D2.1.2

Where transaction certificates are approved without the verification of financial records due to the unavailability of bank receipts (see E2.1.1): 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 scope certificate holder using the below sampling method 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 100	At least 5 transaction certificates or 5% of the total, whichever is greater.
101 to 500	At least 10 transaction certificates or 2% of the total, whichever is greater.
501 to 1000	At least 15 transaction certificates or 1.5% of the total, whichever is greater.
>1001	Half the square root of the total number of transaction certificates.

### 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 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 prior to any certification agreement being signed with the organization or certified company renewing certification, the certification body shall review whether the organization is eligible for certification, including whether they are prohibited from becoming certified in accordance with [ASR-225 List of Banned Organizations](#).

### 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 Appendix C;
- b. Assign a risk level for each site and each subcontractor (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 primary standard or its certification procedures include other criteria to determine auditing frequency and sampling (e.g. farm groups);
  - 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*;
  - iii. The certification body has determined a site to be a high risk site through the background check according to D2.2.2; and

- iv. When the site circumstance does not fall within D2.2.4 or D2.2.5, then the certification body shall contact Textile Exchange for guidance by sending an e-mail to [Assurance@TextileExchange.org](mailto:Assurance@TextileExchange.org).

#### 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](mailto:Assurance@TextileExchange.org).

#### 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](mailto:Assurance@TextileExchange.org).

### 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 if the following conditions apply:

- a. The audit is an initial audit (See Appendix A - Definitions) carried out by the certification body conducting the assessment;
- b. There was no period of non-certification between the preceding and succeeding certification body. In the case of a lapse in certification, the certification body shall conduct a new risk assessment according to D2.2.3; or

- c. 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.

### D2.3.2

In addition to the auditing method and minimum number of sites with physical possession of claimed material that the certification body is required to audit in D2.3.3 for each organization, the certification body shall not audit additional sites with physical possession of claimed material in excess of the sampling method in Appendix C1 – Maximum Number of Audits for Sites with Physical Possession of Claimed Material. The following criteria apply:

- a. If major or critical non-conformities are found at a site that would indicate further sites are likely to be operating out of conformity, the certification body shall perform an additional audit until no such non-conformities are found; and
- b. The certification body may give the site the opportunity to correct the non-conformities prior to performing these additional audits and choosing the site location.

### D2.3.3

Risk-based audits of the following facility types shall be conducted according to the audit frequency and intensity levels indicated in Appendix C: Auditing of Facilities Based on Risk Level:

- a. Processor sites or farms,
- b. Supply chain distributors,
- c. Brands where the brand's main site takes physical possession of claimed material,
- d. Brands where the brand's main site does **not** take physical possession of claimed material,
- e. Trader sites that are required to be certified, and
- f. Brand retailers that are selling direct to consumers only.

## 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) 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).

## 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 3.0, 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 (see Corporate Fibers and Materials Benchmarking - [2019 Fiber Conversion Methodology](#) document for more guidance);
- 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.

## D2.6 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** The following **minimum** time shall be spent to conduct each audit, Additional time may be required in order to perform a thorough audit. 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 site:

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 (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 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.

**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.

NOTE: Times listed in D2.6.2-5 are presented as a minimum. Most audits will require a longer duration than the minimum, and the certification body should allow for more time required for audit planning.

## 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-V3.0 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 3.0.

**D2.7.2** Non-conformities issued to the following CCS 3.0 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

- I. F5.2 (authority/removal of sites).

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

## 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* (See Appendix A – Terms and Definitions) 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).
  - b. The licensee brand would like to make product-related claims.
  - c. Brands that are licensing their name to other companies may or may not choose to get certified.

NOTE 1: An example of a licensee brand is a brand that sources a finished good from a certified supply chain they have control over and that licenses the name of another brand to be applied on the packaging and hangtags.

NOTE 2: Multi-site or Group Certification (see D3.2) may apply to brands once *CCS-106 Policy for Supply Chain Group Certification* or *CCS-107 Policy for Multi-Site Certification with Sampling of Sites* pilots 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 section B3 Certification Criteria of CCS 3.0 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 sites that only have the “PR0031 Warehousing/distribution” process category (except for the required minimums in D2.3.3) if:



- a. The storage site 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. The storage site is included in the brand's certification as a site or a subcontractor; and
- c. The certification body may review 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 site 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 shall:

- a. Identify a sample of a product with on-product claims for review;
- 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 3.0, E4.2; and,
- e. 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.

## D3.2 Multi-Site and Group Organizations

**D3.2.1** The certification body shall meet the criteria of *CCS-106 Policy for Supply Chain Group Certification* or *CCS-107 Policy for Multi-Site Certification with Sampling of Sites* for applicable audits and scope certificates.

**D3.2.2** The certification body shall only approve the addition of a new site to the scope certificate if the applicable criteria of *CCS-106 Policy for Supply Chain Group Certification* or *CCS-107 Policy for Multi-Site Certification with Sampling of Sites* are met for scope certificates which fall under those policies, and if:

- a. The organization has demonstrated that the site is eligible to be included on the scope certificate (see CCS 3.0, F1.1);
- b. The certification body has conducted an audit of the site as required for an initial audit (see D2.3.3);
- 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 within 60 calendar days of the audit of the site.

**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.

### 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 3.0, B1.2), the certification body shall:

- a. Ensure that the trader meets the criteria of CCS 3.0, 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 documentation for both sales of the product;
- 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 3.0, 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:
- If the organization and the subcontractor are certified with the same certification body, ensure that outsourcing volumes from the organization is considered in the subcontractor's audit; or
  - 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.
- 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 either the subcontractor's certification body or to Textile Exchange.
- 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 they do not own the product.

## 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.

## D4. Audit Types

NOTE: A supplementary document with guidance for conducting different audit types is under development. This section will be updated in V3.1 of these procedures.

### D4.1 On-Site Audits

**D4.1.1** When an on-site audit is conducted, the entire audit team shall be physically present at the facility being audited.

**D4.1.2** An on-site audit may replace a hybrid or remote audit.

### D4.2 Hybrid Audits

**D4.2.1** When a hybrid audit is conducted, the audit team includes at least one person who is physically present at the facility being audited, and at least one person who is participating remotely.

**D4.2.2** A hybrid audit may replace a remote audit.

**D4.2.3** The hybrid audit shall be conducted jointly by a qualified lead auditor who is auditing remotely, and by an on-site representative of the certification body.

**D4.2.4** 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, that necessary technologies are able to work, and that no other barriers to a hybrid audit are present.

**D4.2.5** The on-site representative:

- a. Shall be a qualified auditor with the certification body (for any standard) or an auditor trainee for the standard being audited;
- b. Shall be independent of the organization being audited;
- c. May also act as a language interpreter for the lead auditor; and
- d. May conduct auditing tasks under the lead auditor's supervision, if appropriate to their qualifications.

**D4.2.6** The lead auditor shall be present remotely for the entire audit and shall maintain responsibility for conformity to hybrid audit requirements.

**D4.2.7** 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).

**D4.2.8** A live video, including a full video tour of the site, shall be used throughout the hybrid audit (i.e. video calling or a similar technology), where the on-site representative is responsible for managing the video device.

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.

### D4.3 Remote Audits

**D4.3.1** When a remote audit is conducted, the audit team is participating in the audit remotely rather than being present on site.

**D4.3.2** For processing facilities, 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 shall be briefed in advance by an auditor who has visited the site in the past.

**D4.3.3** 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 there are no other barriers to conducting a remote audit are present.

**D4.3.4** For facilities with physical possession of claimed material, a live video, including a tour of the site, shall be used throughout the remote audit (i.e. video calling or a similar technology).

**D4.3.5** Audits of sites without physical possession of claimed materials may be conducted as remote audits. If the site is not the main location, evaluation may be limited to tasks directly performed by the site.

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 accessible.

### D4.4 Semi-Announced and Unannounced Audits

**D4.4.1** The certification body shall conduct semi-announced audits and unannounced audits for at least 2% of sites with physical possession of claimed materials on an annual basis in accordance with the following:

- a. The 2% shall be calculated per certification body for all sites which are evaluated to the CCS.

- b. Unannounced audits for at least 1% of sites designated as high risk from the risk assessment in D2.2.4.
- c. Semi-announced audits for at least 1% of sites designated as medium or low risk from the risk assessment in D2.2.4.

- D4.4.2** Unannounced audits should occur during a period where there is greatest risk to the integrity of assurance (e.g. peak production period).
- D4.4.3** Semi-announced and unannounced audits shall be conducted in addition to initial and recertification audits, and shall not be used in place of the annual recertification audit of a site.
- D4.4.4** Priority to unannounced audits shall be given where first processor, recycler, social, and chemical criteria apply to the site.
- D4.4.5** For unannounced audits, the site shall not receive any advance notice of the auditor's arrival at the site.
- D4.4.6** For semi-announced audits, the site may receive two business days' notice of the auditor's arrival at the site. Semi-announced audits may be conducted whenever no social criteria apply to the site.
- D4.4.7** When selecting sites for semi-announced and unannounced audits, the certification body shall consider the following:
- a. The risk level assigned to sites (see D2.2), with priority to higher risk sites;
  - b. Obtaining a representative sample in terms of standard, geography, and processing categories; and
  - c. Prioritizing sites where there have been complaints or where there are other concerns with conformity.
- D4.4.8** The certification body shall conduct semi-announced or unannounced audits of specific sites when asked to do so by Textile Exchange or by the accreditation body. These audits may be counted towards the total number of required audits.
- D4.4.9** Textile Exchange and the accreditation body may participate in the semi-announced and unannounced audits, contact the site directly, or audit the site without the certification body physically present and/or without the certification body's knowledge.
- D4.4.10** The certification body shall maintain a record of all semi-announced and unannounced audits and shall submit those records to Textile Exchange upon request.



#### D4.4.11

During a semi-announced or unannounced audit, the certification body shall, at minimum, evaluate the following as applicable to the site:

- a. Volume reconciliation (CCS 3.0, C3);
- b. Purchasing documentation (CCS 3.0, D2.3, D2.4, and D2.5);
- c. Physical handling and inventory of claimed materials (inputs, processing, and outputs, including CCS 3.0, D3);
- d. Transport and sale (CCS 3.0, D5);
- e. On-product claims relating to the Standard which are present on-site, including when labeling is done on behalf of a customer;
- f. The following Standard-specific criteria:
  - i. For material recyclers, the physical possibility to produce input and output claimed materials, applicable government requirements, and the authenticity of reclaimed input material sources (e.g. *GRS-212 / RCS-212 Reclaimed Material Declaration Form*);
  - ii. For GRS, social, chemical, and environmental criteria;
  - iii. For OCS first processors, input product origin information, GMO testing criteria (see *OCS-103 GMO Screening of Organic Cotton*) for cotton, and traceability records back to the organic farm; and,
  - iv. For RDS slaughter sites, animal welfare criteria;
- g. Any areas where a non-conformity was issued during the previous full audit;
- h. Any areas where the certification body has identified additional risks for the specific site, including risks which have been identified through complaints or which have been noted to the certification body by Textile Exchange or the accreditation body; and
- i. The certification body shall check financial records of certified input and output materials (D2.1.2 and E2.1.1)

## 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 withdraw certification 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 should be issued as part of the RCS 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 should 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** Prior to adding a site to the scope certificate, the certification body shall audit the site as is required for an initial audit of the site.

NOTE: See D4 for details of how to conduct on-site, hybrid, and remote audits.

### 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 and in stock;
- e. Copies of invoices and shipping documents for outgoing claimed material;
- f. Financial records (e.g. bank receipt, SWIFT, 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 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;
- 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](http://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.

## E2.2 Amendment and Invalidation of Transaction Certificates

**E2.2.1** After it is issued, the transaction certificate may be amended in the following ways:

- a. To reduce the quantity of claimed material included on the transaction certificate, if further evidence shows that it was inaccurate;
- b. To correct typographical errors (including increasing the quantity of claimed materials), within seven calendar days of issuance only;
- c. To downgrade the claim from GRS to RCS; or
- d. To invalidate the transaction certificate.

**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; or
- d. The claimed materials/products are otherwise shown to be ineligible for the claim being made.

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.

**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 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.

## Section F - Claims

This section shall be used for all claims approvals issued under *TE-301 Standards Claims Policy*.

### 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 or to a retailer who is selling a certified brand's products.
- F1.2.2** The certification body shall provide a claims approval application form to their certified clients upon request. 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 claim 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.
- F1.2.4** If an informational statement appears next to or near an assured claim, a claims approver shall review the statement for accuracy.
- 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 claim approval shall be emailed to Textile Exchange at [Approvals@TextileExchange.org](mailto:Approvals@TextileExchange.org), or shall be submitted to Textile Exchange through alternative formats which may be made available by Textile Exchange.

## F1.3 Pre-Approval of Claims

- F1.3.1** The certification body may review claim 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 claim 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 approved transaction certificates using the below sampling method:

Number of transaction certificates issued in the last 12 months	Number of transaction certificates for which approved artwork claims shall be checked
1 to 100	5 transaction certificates, minimum 5% of total
101 to 500	10 transaction certificates, minimum 2% of total
501 to 1000	15 transaction certificates, minimum 1.5% of total
>1001	Square root of the total number of transaction certificates

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 be omitted. The certification body should request examples of any hangtag or packaging modifications for each applicable country prior to issuing a claim approval.

## F2.2 Reporting of Disallowed Claims

**F2.2.1** If the certification body identifies any disallowed claims 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*.

## Section G - Transfer of Certification Between Certification Bodies

- G1.1.1** When an organization chooses to change certification bodies, the preceding and succeeding certification bodies shall meet the criteria included in Section B2 of *ASR-112-V2.1 Procedure for the Withdrawal of Certification Body Licensing*.

## 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*.

**Brand Main Site (brand headquarters):** A brand organization site that conducts administrative and operational activities. This may include, but is not limited to, departments such as purchasing, marketing, finance, merchandising, design, production, and legal.

**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, any audit after this period would be an initial audit.

**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. See also *Brand*.

**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).

### Appendix B1. Risk Assessment of Sites

<b>High Risk</b>  The site is designated high risk if the answer is “yes” to <b>any</b> of the questions in a.-i.:	<b>Medium Risk</b>  The site is designated medium risk if the answer is “yes” to <b>any</b> of the questions in j.-l.:	<b>Low Risk</b>  The site is designated low risk if the answer is “yes” to <b>any</b> 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 an ISEAL member standard?		
c. Is the audit an initial audit to the CCS with this certification body?		
d. If the CCS-based standard is GRS, does the site takes physical possession of claimed material?		

High Risk		Medium Risk		Low Risk	
The site is designated high risk if the answer is “yes” to <b>any</b> of the questions in a.-i.:		The site is designated medium risk if the answer is “yes” to <b>any</b> of the questions in j.-l.:		The site is designated low risk if the answer is “yes” to <b>any</b> of the questions in m.-o.:	
e. Is the site a seller that first produces or processes the claimed material volume (e.g. farm, recycler), i.e. no input TCs are possible?					
f. Does the site accept inputs from an approved equivalent standard (e.g. USDA)?					
g. Has the site 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?		j. Has the site had minor non-conformities relating to CCS 3.0 Section C3 Volume Reconciliation and Section D Processing and Handling Criteria issued during or since the last audit?		m. Is the site certified to another Textile Exchange standard for the same processes?  NOTE: Does not apply if GRS standard is the new standard being assessed.	
h. Has the site 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?		k. Are the answers to low risk criteria m. <u>and</u> n. 'no'?		n. Does the site exclusively handle claimed materials or exclusively certified finished product?	
i. Does the site conduct any of the following high risk processes according to the processes in <i>ASR-213 Materials, Processes &amp; Products Classification?</i> :		l. Does the site conduct any of the following medium risk processes according to the processes in <i>ASR-213 Materials, Processes &amp; Products Classification?</i> :		o. Does the site conduct any of the following low risk processes according to the processes in <i>ASR-213 Materials, Processes &amp; Products Classification?</i> :	
PR0001	Boiling	PR0014	Hatchery	PR0009	Embroidery, embellishment
PR0002	Breeding	PR0015	Knitting	PR0020	Packing
PR0003	Biological recycling	PR0016	Manufacturing	PR0025	Retail sales

High Risk		Medium Risk		Low Risk	
The site is designated high risk if the answer is “yes” to <b>any</b> of the questions in a.-i.:		The site is designated medium risk if the answer is “yes” to <b>any</b> of the questions in j.-l.:		The site is designated low risk if the answer is “yes” to <b>any</b> of the questions in m.-o.:	
PR0004	Chemical recycling	PR0021	Pre-treatment	PR0030	Trading
PR0005	Collecting	PR0022	Preparatory	PR0031	Warehousing, distribution
PR0006	Concentrating	PR0023	Printing	PR0032	Washing, laundering
PR0007	Down processing (RCS, GRS)	PR0028	Tanning	PR0035	Brand
PR0008	Dyeing (OCS)	PR0029	Top making		
PR0010	Extrusion	PR0033	Weaving		
PR0011	Farming (group)	PR0007	Down processing (except for RCS, GRS)		
PR0012	Finishing (OCS)	PR0008	Dyeing (except for OCS)		
PR0013	Ginning	PR0012	Finishing (except for OCS)		
PR0017	Mechanical recycling	PR0040	Scouring (except for OCS)		
PR0018	Molding				
PR0019	Non-woven manufacturing				
PR0024	Pulp making				
PR0026	Slaughtering				
PR0027	Spinning				
PR0034	Other				
	<b>NOTE:</b> The certification body requires permission from <a href="mailto:Assurance@TextileExchange.org">Assurance@TextileExchange.org</a> to use “PR0034 Other”.				
PR0036	Farming (individual)				
PR0037	Farming (area)				



High Risk		Medium Risk	Low Risk
The site is designated high risk if the answer is “yes” to <b>any</b> of the questions in a.-i.:		The site is designated medium risk if the answer is “yes” to <b>any</b> of the questions in j.-l.:	The site is designated low risk if the answer is “yes” to <b>any</b> of the questions in m.-o.:
PR0038	Farming (communal)		
PR0039	Retting		
PR0040	Scouring (OCS)		

## Appendix B2. Risk Assessment of Associated Subcontractors

<b>High Risk</b>  The subcontractor is designated high risk if the answer is “yes” to <b>any</b> of the questions in a.-l.:	<b>Medium Risk</b>  The subcontractor is designated medium risk if the answer is “yes” to <b>any</b> of the questions in m.- n.:	<b>Low Risk</b>  The subcontractor is designated low risk if the answer is “yes” to <b>any</b> 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. Is the audit of the organization an initial audit to the CCS with this certification body?		
d. If the CCS-based standard is GRS, does the subcontractor take physical possession of claimed material?		
e. Is the subcontractor a seller that first produces or processes the claimed material volume (e.g. farm, recycler), i.e. no input TCs are possible?		

<p><b>High Risk</b></p> <p>The subcontractor is designated high risk if the answer is “yes” to <b>any</b> of the questions in a.-l.:</p>	<p><b>Medium Risk</b></p> <p>The subcontractor is designated medium risk if the answer is “yes” to <b>any</b> of the questions in m.- n.:</p>	<p><b>Low Risk</b></p> <p>The subcontractor is designated low risk if the answer is “yes” to <b>any</b> of the questions in o.-q.:</p>
<p>f. Does the subcontractor accept inputs from an approved equivalent standard (e.g. USDA)?</p>		
<p>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?</p>		
<p>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?</p>		
<p>i. Was the subcontractor previously certified to the Standard, and does not currently hold certification to a standard which includes evaluation to the CCS?</p>		
<p>j. If a processing subcontractor, do they receive product directly from the organization’s supplier(s) and the organization does not handle the product prior to processing?</p>		
		<p>o. Is the subcontractor independently certified to another Textile Exchange standard for the same processes?</p> <p>NOTE: Does not apply if GRS standard is the new standard being assessed.</p>

High Risk		Medium Risk		Low Risk	
The subcontractor is designated high risk if the answer is “yes” to <b>any</b> of the questions in a.-l.:		The subcontractor is designated medium risk if the answer is “yes” to <b>any</b> of the questions in m.- n.:		The subcontractor is designated low risk if the answer is “yes” to <b>any</b> of the questions in o.-q.:	
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 3.0 Section C3 Volume Reconciliation and Section D Processing and Handling Criteria issued during or since the last audit?		p. Does the subcontractor exclusively handle claimed materials or exclusively certified finished product?	
l. Does the subcontractor conduct any of the following high risk processes according to the processes in <i>ASR-213 Materials, Processes &amp; Products Classification?</i> :		n. Does the subcontractor conduct any of the following medium risk processes according to the processes in <i>ASR-213 Materials, Processes &amp; Products Classification?</i> :		q. Does the subcontractor conduct any of the following low risk processes according to the processes in <i>ASR-213 Materials, Processes &amp; Products Classification?</i> :	
PR0001	Boiling	PR0014	Hatchery	PR0009	Embroidery, embellishment
PR0002	Breeding	PR0015	Knitting	PR0020	Packing
PR0003	Biological recycling	PR0016	Manufacturing	PR0025	Retail sales
PR0004	Chemical recycling	PR0021	Pre-treatment	PR0030	Trading
PR0005	Collecting	PR0022	Preparatory	PR0031	Warehousing, distribution
PR0006	Concentrating	PR0023	Printing	PR0032	Washing, laundering
PR0007	Down processing (RCS, GRS)	PR0028	Tanning	PR0035	Brand
PR0008	Dyeing (OCS)	PR0029	Top making		
PR0010	Extrusion	PR0033	Weaving		
PR0011	Farming (group)	PR0007	Down processing (except for RCS, GRS)		
PR0012	Finishing (OCS)	PR0008	Dyeing (except for OCS)		
PR0013	Ginning	PR0012	Finishing (except for OCS)		

High Risk		Medium Risk		Low Risk
The subcontractor is designated high risk if the answer is “yes” to <b>any</b> of the questions in a.-l.:		The subcontractor is designated medium risk if the answer is “yes” to <b>any</b> of the questions in m.- n.:		The subcontractor is designated low risk if the answer is “yes” to <b>any</b> of the questions in o.-q.:
PR0017	Mechanical recycling	PR0040	Scouring (except for OCS)	
PR0018	Molding			
PR0019	Non-woven manufacturing			
PR0024	Pulp making			
PR0026	Slaughtering			
PR0027	Spinning			
PR0034	Other <b>NOTE:</b> The certification body requires permission from <a href="mailto:Assurance@TextileExchange.org">Assurance@TextileExchange.org</a> to use “PR0034 Other”.			
PR0036	Farming (individual)			
PR0037	Farming (area)			
PR0038	Farming (communal)			
PR0039	Retting			
PR0040	Scouring (OCS)			

## 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	Maximum Number of Audits	High Risk	Medium Risk	Low Risk
<b>1. Processors*, farms</b>		a. On-site audit annually.	b. On-site or hybrid audit annually.	c.i. <b>Initial audit:</b> on-site or hybrid audit.  c.ii. 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.
<b>2. Supply chain distributors</b> (handling unfinished product)		a. On-site or hybrid audit annually.	b.i. <b>Initial audit:</b> on-site or hybrid audit.  b.ii. On-site or hybrid audit at least once every five years. Annual audits (i.e. years two to five) may be conducted as remote audits.	c.i. <b>Initial audit:</b> on-site or hybrid audit.  c.ii. On-site or hybrid audit at least once every five years. Years two to five of the annual audits cycle may then be conducted as remote audits.

Facility Type	Maximum Number of Audits	High Risk	Medium Risk	Low Risk
<b>3. Brand where brand main site takes physical possession of claimed material</b>	Refer to maximum number of audits in Appendix C1 (below)	a. On-site audit annually.	b. On-site or hybrid audit annually.	c.i. <b>Initial audit:</b> on-site or hybrid audit.  c.ii. 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.
<b>4. Brand where brand main site does <u>not</u> take physical possession of claimed material</b>	Refer to maximum number of audits in Appendix C1 (below)	a. On-site audit annually for main site. On-site audit shall be conducted for at least two sites with physical possession of claimed material.	b. On-site or hybrid audit annually. On-site or hybrid audit shall be conducted for at least one site with physical possession of claimed material.	c.i. <b>Initial audit:</b> remote audit of main site. On-site or hybrid audit for at least one site with physical possession of claimed material.  c.ii. Remote audit of main site annually. On-site or hybrid audit for at least one site with physical possession of claimed material once every three years. Years two to three of the annual audits cycle may then be conducted as remote audits.
<b>5. Trader site that is required to be</b>		a. On-site audit annually.	b.i. <b>Initial audit:</b> on-site or hybrid audit.	c.i. <b>Initial audit:</b> on-site or hybrid audit.



Facility Type	Maximum Number of Audits	High Risk	Medium Risk	Low Risk
<b>certified</b> (see CCS 3.0 B1.2)			b.ii. On-site or hybrid audit at least once every five years. Years two to five of the annual audits cycle may then be conducted as remote audits.	c.ii. Remaining audits may be conducted as remote audits.
<b>6. Retailer that is selling direct to consumers only</b>	Refer to maximum number of audits in Appendix C1 (below)	a. On-site audit.	b. On-site or hybrid audit.	c. Remote audit annually.
<b>7. Associated subcontractor</b>		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.
<b>8. Subcontractor added to the scope certificate outside</b>		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	c. May be added to the scope without an audit.

Facility Type	Maximum Number of Audits	High Risk	Medium Risk	Low Risk
of an initial or recertification audit			counted towards the on-site auditing criterion in D3.5.1.b.	

\*As per *ASR-213-V1.1 Materials, Processes, & Products Classification*, all PR codes are processors, including farms, except for: PR0020, PR0025, PR0030, PR0031, and PR0035.

## Appendix C1. Maximum Number of Audits for Sites with Physical Possession of Claimed Materials

Number of physical sites	Maximum number of annual audits
1 to 100	5
101 to 500	10
501 to 1000	15
>1001	Square root of the total number of transaction certificates