

Pilot Project: Multi-Site Certification with Sampling of Sites

Multi-site certification is currently allowed within the Content Claim Standard (CCS). Textile Exchange would like to explore the possibility of allowing the use of multi-site certification with sampling of sites in multi-site audits, instead of requiring all sites to be audited annually. Textile Exchange requests proposals from certification bodies in order to conduct a two-year pilot project.

Currently, the CCS allows for multi-site certification but requires that all sites be audited annually by the certification body. Many other certification systems allow for auditing to be conducted on a sampling basis where the certification body audits a sample of all sites annually.

References to the CCS in this document refer to *CCS-101-V3.1 Content Claim Standard*. Later versions of the CCS shall be applied if applicable based on the specified effective dates.

Section A – Scope and Timeline

A1. Scope and Characteristics of Pilot Project

In this pilot project, Textile Exchange will allow for pilot certifications to be conducted for up to ten (10) multi-site certifications with audit sampling globally. If fewer than two pilot project proposals are received, Textile Exchange may determine that there is not sufficient interest in this option.

Participation in this project is open to organizations who would like to have multi-site certification where not all sites are audited annually, based on an internal inspection program and the grouping of similar sites.

Each pilot audit and certification will involve a certification body, a certified organization, and a minimum of two sites. The pilot period will be two years, allowing for the initial certification along with one recertification, or for two recertifications following the audit sampling protocol.

This pilot project specifically refers to the sampling of certified sites and does not include subcontractors. This project is also not intended to address *distribution* sites for *brands*. An organization which owns multiple brands may present a proposal to participate in this pilot project for brand functions.

Eligibility / Scope Criteria	Multi-Site Certification with Sampling of Sites
1. Goal of Multi-site Certification with Sampling of Sites	Achieve acceptable reduction in auditing for multi-site organizations conducted by the certification body based on ICS responsibilities, with the goal to reduce cost and maintain credibility of certification
2. Goal of Pilot Project	Test acceptable reduction in auditing conducted by the certification body based on ICS responsibilities
3. More than one site	Yes, minimum two and maximum 100 sites
4. Size of Sites	No restrictions
5. <i>Common Ownership</i> across sites	Required
6. Geographic Scope	No restrictions
7. Sampling of Sites	Allowed – certification bodies audit the ICS and a sample of sites annually

A2. Expectations of Pilot Participants

A2.1 The participating certification body shall:

- A2.1.1** Submit a proposal for participating in the pilot project on behalf of a particular participating organization to assurance@textileexchange.org;
- A2.1.2** Hold accreditation to the CCS;
- A2.1.3** Have experience auditing organizations similar to the organization participating in the pilot project;
- A2.1.4** Have experience with other certification schemes which use sampling of sites in multi-site certification;
- A2.1.5** Agree that the audit may be recorded by Textile Exchange, or that Textile Exchange may require the certification body to record the audit;

- A2.1.6** Agree to the conditions of the pilot project mentioned in Section A – including the specified timeline, and to provide proactive feedback to Textile Exchange throughout the duration of the project; and
- A2.1.7** Agree to provide any documentation related to the certification of the organization at the request of Textile Exchange (e.g. audit report, sale and transport documents, financial sale documents).
- A2.2** The participating organization shall:
 - A2.2.1** Acknowledge that they are participating in a pilot project and that no certification – neither scope certificate nor transaction certificate – is guaranteed even with positive findings.
 - A2.2.2** Acknowledge that Textile Exchange may choose to discontinue the pilot project at any time.
 - A2.2.3** Acknowledge that no sales of certified products or claims about certification may be made prior to receiving a scope certificate.
 - A2.2.4** Agree that the audit may be recorded and/or documented by Textile Exchange or by the certification body. Textile Exchange staff may join as an observer either virtually or on-site.
 - A2.2.5** Acknowledge that Textile Exchange will have access to all information provided to the certification body or obtained by the certification body during the course of certification activities. And
 - A2.2.6** Agree to the conditions of the pilot project and to provide proactive feedback to Textile Exchange throughout the duration of the project.
- A2.3** Textile Exchange shall:
 - A2.3.1** Proactively monitor the progress of pilot audits, including direct observation of audits as is feasible;
 - A2.3.2** Not charge an additional fee apart from what is already due to Textile Exchange as part of *ASR-107 Certification Fee Structure* to the participating organizations or certification body; and
 - A2.3.3** Not provide additional financial support for the project nor be charged for any fees from the participating organization or certification body as a result of their participation in the pilot.

- A2.4** Textile Exchange may approve exemptions to specific details or criteria in this document, if requested and justified in the project proposal.

A3. Request for Proposals

- A3.1** Textile Exchange is requesting project proposals from the certification body for participation in this project. A certification body may submit multiple proposals.
- A3.2** Each proposal shall detail proposed participation for one specific organization which meets the criteria in A1. Textile Exchange recommends limiting the scale of the activities for pilot purposes.
- A3.3** Pilot project proposals shall include the following elements:
 - A3.3.1** Clear identification of the certification body and the organization including contact information;
 - A3.3.2** Identification of key certification body personnel, including auditors, to be involved in the pilot project along with a brief (one paragraph) summary of personnel qualifications and experience;
 - A3.3.3** Proposed organization and sites for the pilot certification including location, contact information, and other activities at the site (e.g. *processing*);
 - A3.3.4** Identification of the desired certification claim (OCS for organic, RDS for down, RAF for responsible animal fiber, RCS for reclaimed/recycled content, or CCS for claims outside of Textile Exchange standards);

NOTE: GRS multi-site certifications will not be considered for inclusion in this pilot project.

- A3.3.5** Description of the plan for auditing and ongoing monitoring, including justification for a remote audit, if applicable;
- A3.3.6** Identification of any other relevant certifications (including the certification body) held by the organization;
- A3.3.7** Identification and justification for any exemptions to pilot project or other criteria which are needed to conduct the audit;
- A3.3.8** Acknowledgement that Textile Exchange will have access to all information provided to the certification body or obtained by the certification body during the course of certification activities; and
- A3.3.9** Agreement for the organization and sites to submit a report and/or be interviewed by Textile Exchange about the pilot experience.

A4. Timeline

Date	Milestone
January 31, 2023	Proposals due from certification bodies for participants in the pilot project
February 28, 2023	Textile Exchange will notify certification bodies of acceptance/rejection of proposals NOTE: Proposals may be approved before this date.
March – June 2023	Completion of initial audit(s) for multi-site and CCS criteria
July 31, 2023	Deadline for submission of audit report(s) to Textile Exchange
August 29, 2023	Latest deadline for scope certificate to be issued if positive certification decision has been reached (60 days from completion of auditing)
Approximately March-June 2024	Recertification audit(s) for multi-site certification with sampling of sites and CCS criteria
December 31, 2024	Textile Exchange reports on next steps

A5. Expected Outcomes

Following the completion of the pilot project, Textile Exchange plans to present a plan to the CCS International Working Group (IWG) to determine whether multi-site certification with sampling of sites will be allowed or disallowed across different scopes covered by the CCS or other Textile Exchange standards.

If a decision to allow sampling of sites is made by the CCS IWG, Textile Exchange may then approve criteria for ongoing use. In this case, Textile Exchange will plan to publish an updated policy (*CCS-107-V3.0*) which will detail requirements for the use of sampling in multi-site audits on an ongoing basis.

If a decision is made to not allow sampling in multi-site audits, pilot project participants will be permitted to continue provided that all subsequent audits be conducted following the criteria of the CCS.

Section B – Pilot Project Criteria

NOTE: Textile Exchange may update these criteria based on feedback received during the proposal process, including discussion with pilot project participants.

B1. General Criteria

- B1.1** The organization shall meet the criteria of *CCS-101-V3.1 Content Claim Standard* (or any subsequent version, “CCS”). Conformity with specific criteria may be managed by the ICS or by each site. Special attention should be paid to CCS Section F.
- B1.2** Volume reconciliation (see CCS C3) shall be conducted per site.

B2. Inspection of Sites

- B2.1** The ICS shall document and implement an inspection protocol to ensure that CCS criteria are met by all sites and shall meet criteria B2.2-B2.5.
- B2.2** The inspection protocol shall include a process for handling non-conformity, including the following elements:
 - B2.2.1** Identification of non-conformities against all applicable requirements of the Standard;
 - B2.2.2** Grading of non-conformities according to the levels identified in CCS A2.
 - B2.2.3** Follow-up to ensure that non-conformities are closed within a specified timeline which is not more than 30 days for major non-conformities and 60 days for minor non-conformities;
 - B2.2.4** Immediate suspension from the scope of certification in the case of critical non-conformities, until such non-conformities have been closed; and
 - B2.2.5** Documentation of non-conformities issued and closed, including explanation of corrective actions taken.
- B2.3** The ICS shall appoint one or more ICS inspectors to carry out inspections. The ICS manager may also be an ICS inspector. ICS inspectors shall not be responsible for inspections of family members or themselves/their own work.
- B2.4** The ICS shall carry out annual inspections of each site. Inspections shall be carried out on-site for all sites who take physical possession of claimed materials other than *final products*.

- B2.5** A written inspection report shall be prepared for each inspection, including identification of all non-conformities. Photos or other verification of the date and location should be included.

B3. Adding Sites

- B3.1** CCS F5.1 shall not apply to pilot project participants.
- B3.2** Sites may be added to the scope certificate after the following steps have occurred:
- B3.2.1** Information required by CCS F2.5 and F2.6 has been received by the ICS;
 - B3.2.2** The ICS Inspector has completed an inspection of the site;
 - B3.2.3** All critical and major non-conformities for the site have been closed; and
 - B3.2.4** The ICS has received approval from the certification body for the addition of the site.

B4. Scope Certificates

- B4.1** Upon a positive certification decision following the initial audit, the certification body may issue a scope certificate to the organization.
- B4.2** In addition to regular reporting criteria, the certification body shall email a copy of the scope certificate to assurance@textileexchange.org within seven days of when it is issued.
- B4.3** Recertification conducted as part of the pilot project shall be approved in advance by Textile Exchange.

B5. Transaction Certificates

- B5.1** Transaction certificates may be issued for claimed material when a valid certification is in place. For transfers of claimed materials between sites, see CCS D2.5.

Section C – Certification Body Criteria

C1. Auditing Criteria

- C1.1** Auditing shall be conducted based on the CCS latest standard version and current valid standard (OCS, RCS, RDS, RWS, RMS, RAS) as applicable, and except where indicated in this document.
- C1.2** The certification body shall issue scope certificates in accordance with section B4 and transaction certificates in accordance with section B5.

- C1.3** The certification body shall make arrangements for Textile Exchange to participate remotely or in-person in pilot audits on request. This shall include the following, as needed:
 - C1.3.1** Arranging audit schedules to align with times requested by Textile Exchange (within normal business hours at the organization’s location);
 - C1.3.2** Live videoconferencing or recording of the audit; and
 - C1.3.3** Providing an interpreter on request if the language of the audit is not English.
- C1.4** The certification body shall respond to requests for feedback from Textile Exchange within the timelines specified by Textile Exchange and shall provide an audit report including findings per requirement to Textile Exchange in accordance with the timelines in A4.
- C1.5** All audits shall be conducted on-site unless the site does not have physical possession of claimed material, in which case a remote audit may be conducted if allowed for by *CCS-102 CCS Certification Procedures*.

C2. Risk Levels and Sampling

- C2.1** Prior to each audit, the certification body shall:
 - C2.1.1** Divide the sites into subsets of sites which are similar in terms of:
 - a. Geographic location (typically within one country or neighboring countries in the European Union);
 - b. Input materials;
 - c. Processing categories;
 - d. Number of workers; and
 - e. Risk level.
 - C2.1.2** Conduct a risk assessment and assign a risk level for each subset following the process within *CCS-102-V3.0 CCS Certification Procedures (CCS-102) D2.2*. High risk criterion c from CCS-102 Appendix B1 may be ignored.
- C2.2** Section D2.2 of CCS-102 is not applicable.
- C2.3** The certification body shall audit the ICS annually.

NOTE: C2.3 refers to auditing of the ICS functions only (CCS Section F and ICS criteria in this document). If the ICS site is also acting as a site with physical possession of claimed material, auditing of those functions are included in C2.4.

C2.4 The certification body shall carry out annual audits of sites based on the set risk level. The number of sites to be audited shall be determined as follows, where n is the number of sites:

C2.4.1 High risk level: audits of all sites;

NOTE: High risk level corresponds with what is already permitted by the CCS. Therefore, scope certificates which only include high risk subsets are outside of the scope of this pilot project.

C2.4.2 Medium risk level: audits of at least $1.5\sqrt{n}$ sites, rounded up to the next whole number;

C2.4.3 Low risk level: audits of at least \sqrt{n} sites, rounded up to the next whole number.