eTrackit Quick Guide for Brands

Starting with the Global Recycled Standard (GRS) and Recycled Claim Standard (RCS)

Overview

eTrackit is a forward-thinking system that delivers granular traceability for Textile Exchange's material standards. eTransactions establish material accounting at the article level throughout the supply chain, dual verified by peer-to-peer validation and third-party certification body transaction approval. Each kilo of certified material is traced, providing real-time visibility of certified inventory transfers in a closed-loop supply chain.

Following a pilot in 2022, eTrackit for the GRS and RCS is now ready for commercial rollout, starting in November 2023. Brands are the key user group for eTrackit, as the discovery process and onboarding of the supply network will be led by the brand's efforts. Brands who are eligible (read more below) will be able to register with Textile Exchange in November and begin eTransactions as early as January 2024.

To learn more about the eTrackit system please review the resources below.

- eTrackit website
- eTrackit video
- eTrackit demo

Traceability in the standards system

Increasing regulations and the need for stronger claims substantiation is a growing focus area for standards systems. Traceability helps organizations comply with regulatory requirements by providing the necessary documentation and evidence of adherence to standards. Traceability also helps organizations mitigate the risks associated with product defects, compliance violations, or supply chain disruptions. By quickly identifying and addressing issues, companies can minimize the impact on their operations and reputation. Organizations are also able to see the supply chain and therefore strengthen their chain of custody and claims, address potential high-risk sourcing areas, as well as more accurately benchmark where they are achieving targets and commitments.

eTrackit is a system that enhances the traceability of Textile Exchange's material standards, beginning with GRS and RCS. Physical material is tracked at the article level throughout the value chain, which delivers stronger proof points and increased efficiency in certification data. This enables more streamlined administration for sites, certification bodies, and brands as well as real-time data updates in the system.

Beyond verification and administrative benefits, eTrackit provides a shared reference point for the standards system – reducing manual data handling and providing real time visibility of certified transactions approved directly by certification bodies. This enhanced chain of custody and transparency better equips brands to meet upcoming regulations and evolving consumer needs.
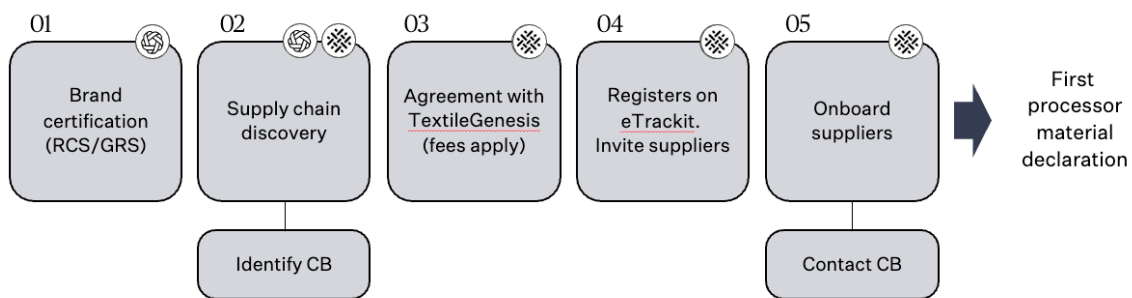
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Brand Eligibility

Brands that are interested in using eTrackit **must be brand certified to the GRS and/or RCS.** This is necessary for end-to-end traceability. If not yet brand certified, the brand should continue to pursue completing its chain of custody. For more information on brand certification, please view the resources below.

- [Brand Certification and Trackit Webinar](#)
- [Brand Certification Deadline Guidelines](#)

If you are brand certified to the GRS and/or RCS, read more below for how to get started with the eTrackit system.

How do eligible brands start?

Brands that are eligible to use the eTrackit system will still need to undergo a supply chain discovery phase to identify whether they also have eligible purchase orders (POs). A brand could be certified to the GRS/RCS and not have POs with full end-to-end chain of custody, or the certification bodies of the certified sites may not be fully integrated into the system to be able to transact in that supply network. A diagnostic process is needed to learn more about these factors.

Brands can [register](#) to have their supply chain diagnosed by Textile Exchange and receive a report on eligibility of their certified supply chains.

Once the brand has registered, received its diagnostics, and confirmed that it has an eligible chain of custody, it should begin talking to the current service provider, Textile Genesis (TG), about an agreement.

Upon contracting with the service provider, Textile Genesis will help to onboard the supply chain certified sites onto the platform, support users in navigating the system, and be there to answer any questions that may come up along the way.

eTrackit System

Textile Genesis is currently the only service provider for eTrackit. Textile Exchange has plans to onboard more service providers in the future. If you are already using Textile Gensis' platform and your suppliers are onboarded, they will not need to onboard again. If this is your first time engaging with the Textile Genesis platform, all suppliers from Tier 4 to brand in the certified supply chain will need to get set up in order for eTrackit transactions to flow.

eTrackit is free for suppliers to use. Once all the suppliers are onboarded onto the system, brands may begin uploading their POs. Then, suppliers may apply for eTransactions on the platform and upload supporting evidence like shipping documents and invoices. Once the certification body verifies that the eTransaction application is complete, they will approve the transaction and the

system will take the allotted virtual inventory of the seller and move it to the buyer. The buyer will need to accept the transaction to confirm the peer-to-peer validation. The certification body that each site is working with will determine the cost of the eTransactions.

If a brand is using eTrackit for their certified POs, this replaces Transaction Certificates and can be used throughout the supply chain during the audit process.

The eTrackit system is only intended to trace certified material to Textile Exchange standards, meaning it will not scale to include other standard systems or materials that are not certified. However, eTransactions and eTrackit data are exportable and designed to be interoperable with other traceability systems. Brands may use eTransactions as proof points in traceability initiatives and reporting.

eTrackit and certification bodies

All 31 certification bodies in the Textile Exchange standards system have been made aware of eTrackit. By April 1, 2024, all certification bodies will need to register for the system, meaning they will need to be trained on how to conduct eTransactions. Certification bodies are responsible for determining their own business and regional strategies, meaning that, even if they are trained, this does not mean they will be actively transacting in all regions. As part of the diagnostics process, Textile Exchange will provide a list of the certification bodies that are transacting as part of the brand's eligible supply network, as well as those not yet transacting. Brands and certification bodies may then start conversations around when the certification body may be ready to begin transacting in that region.

Certification bodies are responsible for reviewing and approving all eTransactions, just like the transaction certificate review process in the current standards system. Certification bodies are governed by the eTrackit Policy, which outlines the following with regard to timelines:

- eTransactions should be reviewed within two business days and shall be reviewed within seven calendar days by certification bodies
- Pending material declarations should be reviewed within two business days and shall be reviewed within seven calendar days by certification bodies
- eTransactions between certified organizations should be registered in the platform within 14 calendar days of product shipment and shall be registered in the platform within 60 calendar days of shipment

Next Steps for Brands

1. GRS and/or RCS Brand Certification
2. Register with Textile Exchange for supply chain diagnostics
3. Close loop on diagnostics
   a. Missing certified sites in supply chain
   b. Certification bodies not transacting, brand demand signal
4. Agreement with Textile Genesis
5. Onboard supply chain
6. Upload POs
7. Begin eTrackit transactions

For more information, please reach out to trackit@textileexchange.org.

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