

Textile Exchange Certification Fee Structure 2020

Textile Exchange (TE) licenses *certification bodies* to perform *certifications* in accordance with Textile Exchange *standards*. The certification body is charged the following fees, based on the requirements in this document:

- a. A one-time application fee;
- b. An annual licensing fee per standard scope;
- c. A fee for each certified *site*; and
- d. A fee per day spent auditing *group* certifications.

The certification body sets and charges its own fees, which may or may not include fees charged by Textile Exchange as a separate line item. It is up to the certification body whether they directly pass on any fees to their clients or build it into their fee structure.

This fee schedule is effective March 1, 2020. All scope certificates issued on or after this date are subject to the new fees. For RWS farm scope certificates which do not expire in 2020, the revised fees shall take effect if the anniversary date is on or after March 1, 2020.

See Appendix A for relevant terms and definitions. Defined terms are identified in italics in the first use in this document.

Questions about the costs of certification for companies? Read more about the total costs of certification for companies in the Certification Toolkit
<https://textileexchange.org/product/certification-toolkit-essentials-series/>.

Section A - Certification Body Fees

A1. Certification Body Application Fee

A1.1 When a certification body applies to Textile Exchange to be licensed to certify against one or more Textile Exchange standards, they shall complete a one-time application and pay a fee in accordance with the following schedule:

1. A base fee of \$1,000 USD per application; and
2. A fee of \$100 USD for each accreditation scope (see *ASR-101-V2.0 Accreditation and Certification Procedures* B2.1.1) beyond the first.

A1.2 When another standard is added at a later date, a new application shall be completed and another application fee as above shall be paid.

A2. Certification Body Annual Licensing Fees

A2.1 Each certification body that is accredited to a Textile Exchange standard or covered under a grace period agreement (see *ASR-101-V2.0 Accreditation and Certification Procedures*, Appendix D) shall pay an annual fee in accordance with the following schedule:

1. \$1,000 USD for the first accreditation scope (see *ASR-101-V2.0 Accreditation and Certification Procedures* B2.1.1); and
2. \$500 USD for each additional Textile Exchange accreditation scope.

A2.2 The following exemptions to A2.1 apply:

1. CCS is only charged if it is the only accreditation scope for 2020¹;
2. RCS is only charged if GRS is not also included; and
3. Responsible Animal Fiber farm standards (RWS, RMS) are considered to be one standard scope.

EXAMPLES:

- A certification body is accredited for CCS, OCS, RCS, GRS, RWS Farm, and RMS Farm. The annual fee is \$1,000 (OCS as first scope) + \$500 (GRS) + \$0 (RCS) + \$500 (RWS/RMS) + \$0 (CCS) = \$2,000 USD.
- A certification body is accredited for CCS only. The annual fee is \$1000.

A2.3 When a standard is added during the calendar year, fees are prorated monthly beginning the month after the contract date.

Section B - Certified Site and Audit Day Fees

B1. Fee Schedule

B1.1 Certification fees are charged per site on a *scope certificate* as follows:

1. First site fee – charged for the main site of the certified organization, including for the central management (ICS) of a group or farm area, and for the brand in brand network certification;

¹ With the revised definition of CCS accreditation scopes, Textile Exchange will begin to charge a single licensing fee for CCS in 2021.



2. Subsequent site fee – charged for each additional site included in the scope certificate, excluding subcontractors, groups and farm areas (see exemptions below);
3. Audit day fee – for farm groups and farm areas² as follows:
 - a. For RDS, charged per audit day spent auditing farms instead of the subsequent site fee for farm group or farm area scope certificates. Time spent auditing the Internal Control System (ICS) directly does not count towards this total. and
 - b. For RWS and RMS, charged per farm for the square root of the number of farms included in a farm group (i.e. the minimum sampling rate for a low-risk farm group) at the time of the audit. There is no fee for farms added to the farm group following the audit until the time of the next audit. The subsequent site fee does not apply to farm groups.
4. Brand network audit fee – charged per audit performed of an *independent BNC participant*.

B1.2 Fees are charged based on the named standard under which claims are made. For example, a final processor for RDS would pay the fees listed for RDS, even though the audit is according to the CCS requirements.



B1.3 Fees for RCS are not charged if the same site also holds GRS certification.

B1.4 If a certification body reports more sites than are certified (e.g. through including subcontractors in site counts), the certification body shall pay site fees based on the higher total.

B1.5 Below is a table of fees per standard in U.S. dollars:

Logo	Standard	First Site Fee	Subsequent Site Fee	Audit Day Fee	Brand Network Audit Fee	Non-certified Subcontractor Fee
	Content Claim Standard (CCS)	\$175	\$125	N/A	\$100	\$0
	Global Recycled Standard (GRS)	\$350	\$275	N/A	N/A	\$0
	Organic Content Standard (OCS)	\$225	\$200	N/A	\$100	\$0
	Recycled Claim Standard (RCS)	\$250	\$225	N/A	\$100	\$0

² Note that the audit day fee does not apply for individual farm certification.

Logo	Standard	First Site Fee	Subsequent Site Fee	Audit Day Fee	Brand Network Audit Fee	Non-certified Subcontractor Fee
	Responsible Down Standard (RDS)	\$325	\$275	\$150	\$100	\$0
	Responsible Animal Fiber Standards: Responsible Wool Standard (RWS) Responsible Mohair Standard (RMS)	\$325	\$275	\$200	\$100	\$0

B2. Standard-Specific Fee Criteria and Clarifications

Content Claim Standard

B2.1 When the CCS is referenced in non-Textile Exchange standards as the requirements for chain of custody, the fee per site is defined above. Individual licensing arrangements will be made by Textile Exchange with the other standard owner. To read more about how the CCS may be embedded into another standard, please see *CCS-103 Using the CCS Outside of TE Standards*.

Content Claim Standard – Brand Network Certification

B2.2 For each *brand* certified in accordance with the BNC Exemption in Section D3 of the CCS v2 for any eligible Textile Exchange standard, the certification body shall pay in accordance with the following fee:

1. The associated first site fee for the brand itself;
2. A subsequent site fee for each *processor* which is included in the scope certificate;
3. A brand network audit fee per **required** audit (remote or on-site) of an *independent BNC participant* (wholesaler/licensee); and
4. No charge per *dependent BNC participant* (brand or contracted DC).

NOTE: If a certification body determines that additional audits are required beyond the CCS D3 minimums, no fees additional audit fees are charged. E.g. A Level 2 network level requires 0.5 x square root of on-site audits. The audit fees are only charged at 0.5 x the square root of audits (rounded up to the next integer).

EXAMPLE: A Network Level 2 RDS brand BNC covers 100 wholesalers, 4 brand-owned DCs, and 7 contracted DCs. A sampling rate of $0.5\sqrt{n}$ applies, where n is the number of independent BNC participants (wholesalers/licensees).

- First site fee: \$325 USD
- Subsequent site fee: \$0 USD (no processors in scope)
- On-Site audits: $0.5 \times \sqrt{100} = 5$
- The certification body decides to perform a 6th on-site audit due to risk, but no fee is charged for the audit.
- Per audit fee: $5 \times \$100 = \500 USD
- The brand owned DCs are covered by the brand network fee.
- The contracted DCs, as subcontractors, are not a part of the scope at all (see *C3.1b of the CCS*), so there is no charge for them.
- Total fee: $\$325 + \$500 = \$825$ USD

Responsible Down Standard

B2.3 For RDS Farm Group Certification and Farm Area Certification, the certification body shall pay a first site fee for the ICS, plus an audit day fee per audit day for the group or area members.

EXAMPLE: A certification body spends 3 days auditing a sample of 6 farms within a *farm group* and 1 additional day auditing the ICS.

- First site fee: \$325 USD
- Audit day fee: $3 \times \$150 = \450 USD
- Total fee: $\$325 + \$450 = \$775$ USD

B2.4 When individual farms are audited as part of a slaughterhouse or down processor's certification where there is no *internal control system* (ICS), fees may be calculated as for a farm group.

EXAMPLE: There are 50 farms included in the scope certificate of a down processor. The certification body performs on-site audits of all 50 farms, over a period of 5 days. The certification body would be charged \$1075 ($5 \times \$150 + \325), instead of \$16,575 ($(50+1) \times \325).

B2.5 Each audit day is considered to occur within one calendar day. Partial days are not allowed. (e.g. A 4-hour day of auditing or a 12-hour day of auditing is to be reported as one day.)

Responsible Wool Standard and Responsible Mohair Standard

B2.6 A *farm* may include multiple geographically distinct plots of land, but is considered to be a single site provided that the definition of farm is met (see Appendix A).

- B2.7 Although RWS and RMS scope certificates have a 3-year validity period (see *RWS V1.0 A6.2*), fees are charged annually at the anniversary date.
- B2.8 Audit day fees for RWS and RMS farm groups are calculated assuming one farm is audited per day at the minimum sample size for a low-risk farm group, even when the actual sample size is larger and/or multiple farms are audited in one day.
- B2.9 If a farm or farm group is certified to both RWS and RMS, only one fee applies.

B3. Other General Standard Fee Criteria

- B3.1 No fees are charged for non-certified *subcontractors*. Normal fees apply for a site which is part of a scope certificate, even if that site acts as a subcontractor for other sites which are part of other scope certificates.

- B3.2 Each legal owner of certified product shall be included as a site in a scope certificate.

NOTE: When a *certified organization* does not pay for its own certification, the paying company that has the certification contract with the certification body may make business arrangements with the certified organization to limit the use of the certification. Fees are calculated and charged to the certification body per scope certificate as usual.

- B3.3 An organization with multiple scope certificates for different standards or sites is charged separately for each scope certificate except as described in this policy.

Section C - Invoicing and Payment Terms

C1. Invoicing Schedule

- C1.1 Textile Exchange invoices each current certification body for annual licensing fees in January of each year.
- C1.2 Textile Exchange invoices applicant certification bodies for application fees upon tentative acceptance of the certification body's application form, and for annual licensing fees upon signing a licensing agreement.
- C1.3 Textile Exchange invoices each certification body for certified site and audit day fees on a quarterly basis, as soon after the end of the quarter as data collection allows.
- C1.4 If a certification body's total fees owing for certified site and audit day fees exceeds \$50,000 USD per quarter, Textile Exchange may invoice monthly or may require that a flat deposit be paid monthly with fees reconciled quarterly.
- C1.5 Textile Exchange may choose to delay any of the above invoicing times in order to consolidate small invoices. Invoices for certified site and audit day fees will typically be held until the total reaches \$1000 USD or until the end of the calendar year.

C2. Payment Terms

C2.1 Payment for all invoices is due upon receipt.

C2.2 If payment is not received, Textile Exchange may take the following actions. (See also *ASR-101-V2.0 Accreditation and Certification Procedures D1.3.3.*)

1. 30 days past due: Email followup to certification body;
2. 60 days past due: Email followup to certification body, including top certification body management;
3. 90 days past due: Email followup to certification body, including top certification body management and accreditation body;
4. 120 days past due: Request suspension of accreditation until payment is received; and
5. 180 days past due: Revoke certification body agreement with Textile Exchange.

If a certification body consistently does not pay in a timely manner, Textile Exchange may take any of the actions identified in C2.2 beginning 60 days after an invoice is due.

C3. Other Taxes and Fees

C3.1 In the event that a certification body is required to or chooses to withhold a portion of payment from invoices, the fees described above shall be pro-rated such that the amount paid to Textile Exchange is consistent with the amounts above. If this is the case, the certification body shall inform Textile Exchange prior to invoicing.

C3.2 The fees described above are exclusive of any sales taxes which Textile Exchange is required to charge.

Appendix A – Terms and Definitions

See the document *TE-101 Terms and Definitions for Textile Exchange Standards and Related Documents* for definitions of terms used in this document. Key definitions are included below. Defined terms are shown in italics in the first usage in this document.

Textile Exchange Standards

Standard Name	Acronym	Current Version/Date
Content Claim Standard	CCS	2.0, January 2016
Global Recycled Standard	GRS	4.0, July 2017
Organic Content Standard*	OCS	2.0, January 2016
Recycled Claim Standard	RCS	2.0, July 2017
Responsible Down Standard	RDS	2.0, 2014** 3.0, July 2019
Responsible Wool Standard*	RWS	1.0, June 2016
Responsible Mohair Standard*	RMS	New standard to be published in 2020

* Indicates standards which are currently under development/revision and will be published/updated in 2020

** Indicates standard versions which have been replaced, but where the phase-out is not yet complete

Definitions

Audit Day: A single calendar day (up to 24 hours) spent auditing sites that fall under the control of a single *Internal Control System (ICS)*. Does not include transit time to and from the site location or *confirmation visits*.

Farm: Any *site* where crops or livestock are raised for the production of food and/or textiles. Non-adjacent fields may be considered part of the same farm, provided they are under the same management (i.e. same farmer).

Internal Control System (ICS): The system used by an *organization* for the oversight and management of certification for multiple *sites*, such as a *group*.

Site: Any geographically distinct unit within a certificate scope. Locations which are geographically distinct or have different civic addresses are considered to be separate sites (see exception for *farms*). *Subcontractors* are not considered to be sites. The word *facility* is used in some documents and has the same meaning as site.

Subcontractor: An individual or company hired by an *organization* to perform services on a *claimed material*. Subcontractors take physical possession but not legal ownership of claimed materials, and are independent of the organization which *outsources* the material. (Note: Additional definitions of subcontractor included in *TE-101 Terms and Definitions for Textile Exchange Standards and Related Documents* do not apply to this document.)