Guidance: Auditing During the COVID-19 Pandemic

Textile Exchange published ASR-109 Auditing in Cases of Force Majeure in February 2020 as a response to the earlier stages of the COVID-19 pandemic. While this policy has been written for cases of force majeure, it has become apparent that the situation with COVID-19 is having an impact on an unprecedented scale.

Textile Exchange’s intent is that both auditors and certification bodies follow all public health and travel restrictions or advisories, and also that no certified organization will lose its certification due to auditing delays from COVID-19.

Certification bodies are encouraged to proactively monitor the situation and provide updates to Textile Exchange, including news of any emerging circumstances which may require a change in this guidance.

This policy takes effect June 1, 2020.

Section A - Emergency Situation

A1. Definition

A1.1 For the purposes of this policy, references to whether an audit can or cannot be conducted as normal refer to the possibility of the audit being conducted while respecting the following:

1. All public health directives issued by national or sub-national governments, or by the World Health Organization;
2. All travel restrictions or advisories put in place by applicable national governments;
3. Closures of organizations, including a switch to employees working from home (excluding cases where remote audits are normally permitted);
4. Organizations banning outside visitors, provided that there is no indication that the ban is in place to avoid an audit; and
5. Reasonable health or self-isolation precautions which are recommended for the organization’s area at the time when the audit would occur.

A1.2 Textile Exchange will monitor the situation globally as it evolves and may declare that normal auditing or deferred audits are expected to occur by a specified time.

A1.3 For the purposes of this policy, trader refers to an organization/site which takes legal but not physical possession of certified products, and distributor refers to an organization/site which takes physical possession of certified products but does not
perform any kind of processing, including repacking of bulk product or application of hang tags/logos.

A2. Exemption Framework

A2.1 This policy may be used for auditing globally until December 30, 2020. Textile Exchange may extend this timeline.

A2.2 Each certification body should monitor its own local situation and the situations of its clients. If a certified organization cannot maintain the existing certification based on the current situation and the exemptions offered in this document, a separate exemption should be requested from Textile Exchange.

A2.3 This guidance may only be used by certification bodies which held accreditation or a grace period for the applicable standard as of March 1, 2020, or under CCS accreditation scope (as defined in ASR-101-V2.0 Section B) for certification bodies who held accreditation to a Textile Exchange standard as of March 1, 2020.

A3. Approval of Remote Auditing Procedures

A3.1 The certification body shall maintain documented procedures for remote auditing and shall conduct auditor training on remote auditing protocols. These may be specific to Textile Exchange standards or may cover the certification body's other programs as well.

A3.2 The certification body shall maintain a listing of all scope certificates where exemptions are being used, including the exemption which was used and the reason it was needed (e.g. organization closed, restrictions on travel to region). Textile Exchange may request this list at any time, and may request further details to justify the reason for the exemption.

A3.3 The certification body shall provide Textile Exchange with a copy of its remote auditing procedures no later than July 31, 2020.

Section B - Auditing Certified Organizations

B1. Exemption Options

B1.1 Where an audit can be conducted without modification to auditing requirements, the certification body shall carry out audits following standard requirements. RWS farm annual audits (non-recertification) should be deferred to later in the calendar year.

NOTE: It is acceptable to conduct document review remotely when key portions of the audit (e.g. site tour, worker interviews) can be conducted on-site.

B1.2 For each affected scope certificate where regular auditing is not possible, the certification body may select one of the following options.
1. Extension of scope certificate validity (see B2);
2. Completion of a remote audit in place of an on-site audit for eligible organizations (see B3); or
3. Extension of scope certificate validity (see B2, optional), followed by a remote audit and an on-site audit once this can be done (see B4).

B1.3 Where remote audits are permitted (excluding traders), the certification body should assign an auditor who has previously visited the sites to be audited.

B2. Extensions to Scope Certificates

B2.1 Scope certificate validity may be extended by up to 90 days where the audit cannot be completed in the normal timeframe.

B2.2 When an organization whose scope certificate was extended is recertified, the new scope certificate shall expire one year after the previous scope certificate's original expiry date (i.e. anniversary date does not change).

B3. Remote Auditing in Place of On-Site Audit (Low Risk Certified Organizations)

B3.1 Remote audits in place of on-site audits shall only be conducted when the organization is identified as low risk based on the criteria in Appendix A, and when the certification body has no concerns about conducting a remote audit based on past audit performance, products, processing steps, or any other factor the certification body deems relevant.

B3.2 Remote audits may not replace on-site audits where the scope certificate validity has also been extended (see B2).

B3.3 A live video tour of the site shall be conducted as part of the remote audit (i.e. video calling or a similar technology). For farm audits, this may be replaced with a video of the farm which is taken during the audit, and where the auditor reviews the video and has the opportunity to request additional footage before the closing meeting.

B3.4 For traders, the subsequent (i.e. 2021) audit shall be conducted on-site if an on-site would ordinarily have been required in 2020.

B3.5 The certification body shall conduct a remote audit or documentation review for each current subcontractor identified as high risk based on CCS-102 CCS Certification Procedures, and D2.2 to determine auditing needs for new subcontractors.

B3.6 The certification body may conduct an additional on-site audit or site visit once it becomes possible, including to non-certified subcontractors.
B4. Remote Auditing with Deferred On-Site Audit (Medium/High Risk Certified Organizations)

B4.1 For all organizations, the certification body may conduct a remote audit with a deferred on-site audit to occur during the validity period of the scope certificate. This may occur after an extension to the scope certificate validity (see B2).

B4.2 The remote audit shall include a live video tour of the site, including an inspection of material tracking, animal welfare, and chemical usage (as applicable to the audit).

B4.3 For farm audits where a live video tour is not possible (e.g. due to lack of cellular service in the area), a video tour shall be filmed during the audit to include elements requested by the auditor. The auditor shall review the footage prior to concluding the audit of the farm, and may request additional footage at that time.

B4.4 For audits with social criteria, the certification body should provide an email address or other contact method for the organization to distribute to all personnel as a supplemental measure. This allows workers to contact the auditor independently of management.

B4.5 The certification body shall conduct a remote audit for each GRS subcontractor, and a remote audit or document review for each non-GRS subcontractor identified high risk based on CCS-102 CCS Certification Procedures. D2.2 shall apply to determine auditing needs for new subcontractors.

B4.6 Once an on-site audit can be conducted, the certification body shall conduct an on-site audit of the organization within 60 days of the on-site audit becoming possible.

1. The audit is not required to include a review of documentation requirements which were sufficiently reviewed during the remote audit and where no non-conformity was identified.

2. The audit shall include a tour of the applicable sites and subcontractors, and a review of material tracking/handling, animal welfare, land management, chemical usage, social criteria, and interviews with workers (as applicable to the audit).

3. The on-site audit should be conducted by the same auditor who conducted the remote audit where possible.

Section C - Initial Audits

Initial audits are treated differently from audits of organizations which are already certified. IAF ID 12:2015 Principles of Remote Assessment 5.4.ii discourages remote assessments of certification bodies. Similarly, Textile Exchange has been cautious about allowing remote initial audits. However, Textile Exchange recognizes that the current situation requires some additional flexibility for remote initial audits. Initial audits can be classified as low, medium, or high risk based on Appendix B; on-site initial audits remain necessary for high risk cases.
Textile Exchange recognizes that many applicant organizations cannot become certified at this time under the current guidance, through no fault of the organization. Textile Exchange is monitoring the situation as it evolves and will consider expanded options for initial audits at a later time.

C1. Remote Auditing in Place of On-Site Audit (Low Risk Initial Audits)

C1.1 Remote initial audits in place of on-site audits shall only be conducted when the organization is identified as low risk based on the criteria in Appendix B, and when the certification body has no concerns about conducting a remote audit based on past audit performance (to other standards), products, processing steps, or any other factor the certification body deems relevant.

C1.2 The remote audit shall include a live video tour of the site, including an inspection of material tracking, animal welfare, and chemical usage (as applicable to the audit).

C1.3 For farm audits where a live video tour is not possible (e.g. due to lack of cellular service in the area), a video tour shall be filmed during the audit to include elements requested by the auditor. The auditor shall review the footage prior to concluding the audit of the farm, and may request additional footage at that time.

C1.4 The audit should be conducted by an auditor who has visited the site before, where possible.

C1.5 The subsequent (i.e. 2021) audit shall be conducted on-site, including for traders.

C1.6 The certification body shall use D2.2 to determine auditing requirements for subcontractors.

C1.7 The certification body may conduct an additional on-site audit or site visit once it becomes possible, including to non-certified subcontractors.

C2. Remote Auditing with Deferred On-Site Audit (Medium Risk Initial Audits)

C2.1 For organizations identified as medium risk based on the criteria in Appendix B, the certification body may conduct a remote audit with a deferred on-site audit to occur during the validity period of the scope certificate.

C2.2 The remote audit shall include a live video tour of the site, including an inspection of material tracking, animal welfare, and chemical usage (as applicable to the audit).

C2.3 For farm audits where a live video tour is not possible (e.g. due to lack of cellular service in the area), a video tour shall be filmed during the audit to include elements requested by the auditor. The auditor shall review the footage prior to concluding the audit of the farm, and may request additional footage at that time.

C2.4 The audit should be conducted by an auditor who has visited the site before, where possible.
C2.5 For audits with social criteria, the certification body should provide an email address or other contact method for the organization to distribute to all personnel as a supplemental measure. This allows workers to contact the auditor independently of management.

C2.6 The certification body shall use D2.2 to determine auditing requirements for subcontractors.

C2.7 Once an on-site audit can be conducted, the certification body shall conduct an on-site audit of the organization within 60 days of the on-site audit becoming possible.

1. The audit is not required to include a review of documentation requirements which were sufficiently reviewed during the remote audit and where no non-conformity was identified.

2. The audit shall include a tour of the applicable sites and subcontractors, and a review of material tracking/handling, animal welfare, land management, chemical usage, social criteria, and interviews with workers (as applicable to the audit). And

3. The on-site audit should be conducted by the same auditor who conducted the remote audit, where possible.

Section D - Additional Exemptions

D1. Transaction Certificates

D1.1 The certification body should consider delays related to COVID-19 if transaction certificates are requested more than six months after the date of the earliest shipment. Textile Exchange encourages certification bodies to offer more leniency in this area. (See ASR-104 B6.2.)

D1.2 If an organization needs to sell unprocessed input materials (e.g. a garment factory selling fabric to another garment factory), the certification body should issue a transaction certificate for the sale.

D2. Adding Sites and Subcontractors to a Scope Certificate

D2.1 New sites may be added to an existing scope certificate if one of the following applies:

1. The site would ordinarily be able to be added without an audit (e.g. farm group members); or

2. The site qualifies as low or medium risk under the criteria in Appendix B, and the process in Section C is followed for the audit of the site.

D2.2 New subcontractors may be added to the scope certificate under the following conditions, based on the risk assessment criteria from CCS-102 CCS Certification Procedures:
1. Certified subcontractors and low risk subcontractors may be added without an audit. A remote audit may be conducted for low risk subcontractors.
2. Medium risk subcontractors may be added following a remote audit.
3. High risk subcontractors may not be added at this time.
4. GRS subcontractors may only be added if they are GRS certified or are distributor sites.

D3. Confirmation Visits and Unannounced Audits

D3.1 Where there is a requirement for unannounced audits or confirmation visits, the certification body may cancel a proportion of the unannounced audits or confirmation visits to match the portion of the year where on-site audits are not possible in the applicable country.

EXAMPLE: On-site audits are not possible in a country for three months of 2020. The certification body may cancel $3/12 = 25\%$ of required unannounced audits and confirmation visits.

D4. Closure of Non-Conformities

D4.1 If on-site verification is ordinarily required to close a non-conformity, the certification body may evaluate the non-conformity remotely. This shall include video-based evidence and should include live video calling where needed to confirm conformity.

D4.2 If a non-conformity cannot be closed by the due date because of restrictions on business activities or movement of people, the following shall apply:

1. The certification body shall require the organization to prepare a corrective action plan which includes timelines relative to specific activities becoming possible;
2. The certification body may close the non-conformity based on the corrective action plan, provided that the organization has taken reasonable actions towards closing the non-conformity, based on what is possible (e.g. confirming service providers); and
3. The certification body shall schedule a followup with the organization to ensure that the corrective action plan is implemented.

D5. Auditor Qualification

D5.1 The following substitutions may be made in auditor training:

1. The auditor trainee may participate in training audits remotely following participation in at least one on-site audit to the Standard;
2. A remote shadow audit may be conducted to qualify the auditor trainee to conduct remote audits; and
3. An on-site shadow audit shall be conducted before the auditor trainee is qualified to conduct on-site audits.

D5.2 For audits with secondary scopes (CCS evaluation only), an auditor who is qualified and experienced with another product certification supply chain/chain of custody standard may be trained to conduct remote audits through an entirely remote process. An on-site shadow audit shall be conducted before the auditor is qualified to conduct on-site audits.

D5.3 If an auditor trainee is able to conduct an audit on-site but no suitable shadow auditor is able to be present in person (e.g. due to international travel restrictions), the shadow audit may be conducted with the remote participation of the shadow auditor. The remote shadow auditor shall participate in the entire audit through a live video call. In this case, an on-site shadow audit shall be conducted within one year.

D6. Accreditation and Grace Periods

D6.1 It is not possible for a certification body to become accredited without on-site shadow assessments conducted by the accreditation body.

D6.2 If the certification body is covered under a grace period, the grace period may be extended by up to three months at a time, provided the following is met:

1. The grace period expires within one month of the extension;
2. Textile Exchange believes that the certification body has made reasonable progress towards accreditation, based on work which can be completed; and
3. The accreditation body recommends the extension of the grace period.
Appendix A – Risk Levels for Certified Organizations

The following tables identify the minimum risk level to be assigned for audits of certified organizations, where the applicable scope certificate was first issued prior to March 1, 2020. A low risk designation allows for a remote audit, while a medium or high risk designation allows for a remote audit with an on-site followup once it becomes possible.

<table>
<thead>
<tr>
<th>Low Risk</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Trader</strong></td>
<td>1. All traders.</td>
</tr>
<tr>
<td><strong>2. Distributor</strong></td>
<td>1. The last audit was conducted on-site by the same certification body;</td>
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<tr>
<td></td>
<td>2. No non-conformities relating to physical material handling were identified during the last audit; and</td>
</tr>
<tr>
<td></td>
<td>3. Certified materials are handled and distributed exclusively in discrete units (e.g. finished products, discrete pallets of raw materials, bags of down).</td>
</tr>
<tr>
<td><strong>3. Processor</strong></td>
<td>1. The last audit was conducted on-site by the same certification body;</td>
</tr>
<tr>
<td></td>
<td>2. No non-conformities relating to physical material handling or tracking were identified during the last two audits, or during the last audit if the organization has only been certified for one year;</td>
</tr>
<tr>
<td></td>
<td>3. The certification body believes that the risk of material contamination at the site is minimal;</td>
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<tr>
<td></td>
<td>4. The standard is not GRS; and</td>
</tr>
<tr>
<td></td>
<td>5. For OCS gins, samples for GMO testing as required by OCS-103 GMO Screening of Organic Cotton are taken and identified with direct (video) oversight from the auditor.</td>
</tr>
<tr>
<td><strong>4. Farms and Slaughter Sites</strong></td>
<td>1. The entire scope certificate has a low risk designation based on the risk criteria in RDS-102-V3.0. (RDS only)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Medium/High Risk</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5. All Organization Types</strong></td>
<td>1. Does not meet low risk criteria under 1-3 above; or</td>
</tr>
<tr>
<td></td>
<td>2. The certification body has concerns about conducting a remote audit based on past audit performance, products, processing steps, or any other factor the certification body deems relevant.</td>
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</tbody>
</table>
Appendix B – Risk Levels for Applicant Organizations

The following tables identify the minimum risk level to be assigned for audits of applicant organizations who are not yet certified to the applicable standard. A low risk designation allows a remote initial audit. A medium risk designation allows a remote initial audit with an on-site followup required once it becomes possible. A high risk designation means that remote auditing is not permitted.

<table>
<thead>
<tr>
<th>Low Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Trader</strong></td>
</tr>
<tr>
<td>1. All traders.</td>
</tr>
<tr>
<td><em>Sections below do not apply if this is met.</em></td>
</tr>
<tr>
<td><strong>2. Current Textile Exchange or GOTS Certification</strong></td>
</tr>
<tr>
<td>1. The organization holds certification to another Textile Exchange standard or to GOTS, and has had an on-site audit to that standard; and</td>
</tr>
<tr>
<td>2. The same certification body who issued the other scope certificate conducts the audit; and</td>
</tr>
<tr>
<td>3. The standard is not GRS.</td>
</tr>
<tr>
<td><em>Sections below do not apply if this is met.</em></td>
</tr>
<tr>
<td><strong>3. Scope Certificate Transfers</strong></td>
</tr>
<tr>
<td>1. The organization holds or held certification to the same Textile Exchange standard with another certification body; and</td>
</tr>
<tr>
<td>2. The certification was valid within the 90 days prior to the remote audit; and</td>
</tr>
<tr>
<td>3. The standard is not GRS.</td>
</tr>
<tr>
<td><em>Sections below do not apply if this is met.</em></td>
</tr>
<tr>
<td><strong>4. RMS</strong></td>
</tr>
<tr>
<td>1. The farm or farm group holds RWS certification; and</td>
</tr>
<tr>
<td>2. The conditions identified in RAF-104-V2.0 RAF Transition Policy B1.3 are met.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Medium Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5. Current Textile Exchange or GOTS Certification</strong></td>
</tr>
<tr>
<td>1. The organization holds certification to another Textile Exchange standard or to GOTS, and has had an on-site audit to that standard; and</td>
</tr>
<tr>
<td>2. The standard is not GRS.</td>
</tr>
<tr>
<td><em>Sections below do not apply if this is met.</em></td>
</tr>
<tr>
<td><strong>6. GRS Scope Certificate Transfers</strong></td>
</tr>
<tr>
<td>1. The organization holds or held GRS certification with another certification body; and</td>
</tr>
<tr>
<td>2. The certification was valid within the 90 days prior to the remote audit.</td>
</tr>
<tr>
<td><em>Sections below do not apply if this is met.</em></td>
</tr>
</tbody>
</table>
### 7. CCS

This section applies for all organizations with secondary scopes, and as an additional requirement as referenced in sections below.

1. The organization is a distributor. Certified materials are handled and distributed exclusively in discrete units (e.g. finished products, discrete pallets of raw materials, bags of down). Material handling procedures for workers are not substantially different for certified materials;  
2. The organization exclusively processes certified materials (e.g. all down on-site is RDS certified); or  
3. The organization is certified to another product chain of custody standard which includes material segregation by the same certification body, and the standard is either:  
   i. Owned by a full member of ISEAL; or  
   ii. Reliant on ISO17065 accreditation by an internationally recognized accreditation body.  

NOTE: If option 2 is used, the organization shall reclassify the audit as high risk if non-certified material is identified on-site during the remote audit.

### 8. OCS

1. The organization meets eligibility for CCS (see above); and  
2. For gins, samples for GMO testing as required by OCS-103 GMO Screening of Organic Cotton are taken and identified with direct (video) oversight from the auditor.

### 9. RCS

1. The organization meets eligibility for CCS (see above).

### 10. GRS

1. The organization meets eligibility for CCS (see above);  
2. The organization is not a chemical recycler; and  
3. The organization meets one of the medium risk options identified in Appendix C for each of social, environmental, and chemical criteria.

### 11. RDS Farm

1. All slaughter sites and supply chain sites (e.g. down processors) meet eligibility for CCS (see above);  
2. The organization has been audited for animal welfare for waterfowl (i.e. to a standard other than the RDS, including brand-owned standards) by the same certification body within the last two years;  
3. For farm groups, the previous audit covered the same slaughter sites and substantially the same list of farms; and  
4. The scope is not farm area.

### 12. RAF Farm

No special allowances for Responsible Animal Fiber (RWS/RMS) farm certifications are classified as medium risk at this time.
<table>
<thead>
<tr>
<th>High Risk</th>
<th>1. Does not meet low or medium risk criteria under 1-12 above; or 2. The certification body has concerns about conducting a remote audit based on past audit performance (for other standards), products, processing steps, or any other factor the certification body deems relevant.</th>
</tr>
</thead>
<tbody>
<tr>
<td>13. All Organization Types</td>
<td>1. Does not meet low or medium risk criteria under 1-12 above; or 2. The certification body has concerns about conducting a remote audit based on past audit performance (for other standards), products, processing steps, or any other factor the certification body deems relevant.</td>
</tr>
</tbody>
</table>
Appendix C – Medium Risk Indicators for GRS Modules

The following tables identify medium risk indicators for each of the three GRS modules. One indicator per table – either an existing certification or one item under “Other Criteria” – is required to meet Appendix B 9.1. Note that references to other certification systems are used to identify reduced risk only and are not considered to be equivalencies by Textile Exchange.

<table>
<thead>
<tr>
<th>Social</th>
<th>The organization holds one of the following certifications, and has had an on-site audit for that certification during 2019 or 2020.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Existing Certifications</strong></td>
<td>1. GOTS; 2. SA8000; 3. WRAP Gold or Platinum; 4. SMETA; 5. Fair Trade USA; or 6. Fair Trade International.</td>
</tr>
<tr>
<td><strong>2. Other Criteria</strong></td>
<td>No other criteria at this time.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Environmental</th>
<th>The organization holds one of the following certifications, and has had an on-site audit for that certification during 2019 or 2020.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>4. Other Criteria</strong></td>
<td>1. The organization is a distributor. Certified materials are handled and distributed exclusively in discrete units (e.g. finished products, discrete pallets of raw materials, bags of down).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Chemical</th>
<th>The organization holds one of the following certifications, and has had an on-site audit for that certification during 2019 or 2020.</th>
</tr>
</thead>
</table>
| **5. Existing Certifications** | 1. GOTS; 2. bluesign; 3. OEKO-TEX STeP; or
4. All chemical inputs are ZDHC Level 1, 2, or 3, and ISO 14011:2015 certification is in place.

| 6. Other Criteria | 1. Processing steps included in the scope certificate are limited to the following: Collecting, Concentrating (e.g. flaking, baling), Down Processing (e.g. cleaning, washing, drying, sorting, mixing), Embroidering / Embellishment, Finishing, Knitting, Manufacturing (finished product), Non-woven, Packing / Re-Packing, Retailing, Spinning, Trading, Warehousing, Weaving |