



**SUSTAINABLE
FIBRE
ALLIANCE**

Creating a Sustainable Cashmere Value Chain



2020 CHAIN OF CUSTODY PILOT

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12th March 2020



A chain of custody for the SFA



THE SFA CASHMERE STANDARD

Increasing supply of SFA Certified fibre

- Expanding our reach across Mongolia and into China
- Product claims to *drive demand*
- Chain of custody an integral part of this expansion
- Our codes of practice cover the certification of raw fibre
- The chain of custody traces this fibre through the supply chain

Goal of the chain of custody

- To ensure the accuracy of claims regarding the **content of SFA Certified fibre** in a final product.



Traceable SFA Certified fibre

HERDER-LEVEL



Herder Organisation
Certification



Rangeland
Stewardship



Animal
Husbandry

SUPPLY CHAIN-LEVEL

SFA Certified
fibre



Processor
Certification



Clean Fibre



Trademark
SFA Claim

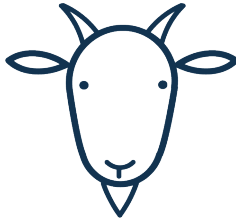
CHAIN OF CUSTODY CERTIFICATION



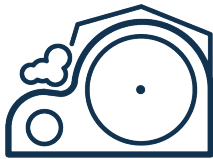
What do we mean by chain of custody?



pasture use



animal welfare



clean processing



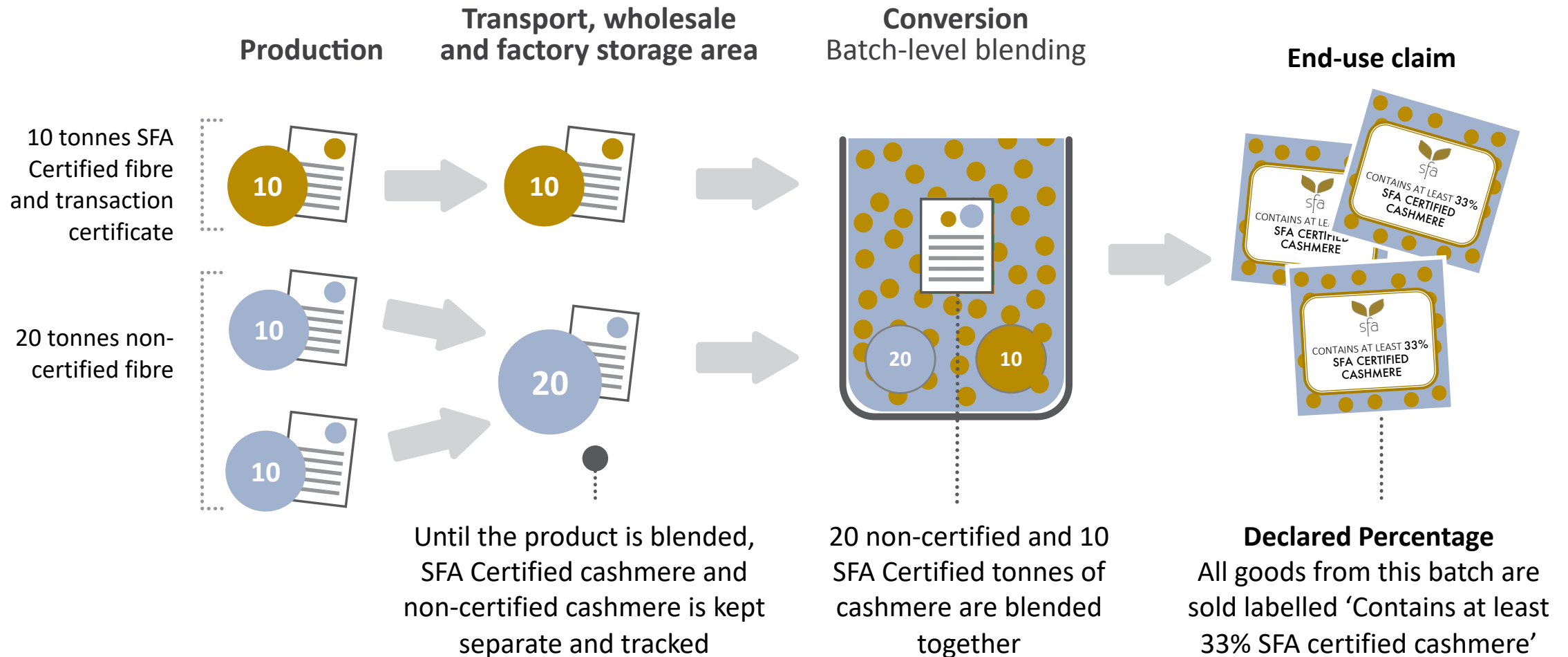
By complying with our chain of custody, you can demonstrate your use of **responsibly produced cashmere** and may use the **SFA Certified Logo**





Full segregation with minimum threshold of 33%

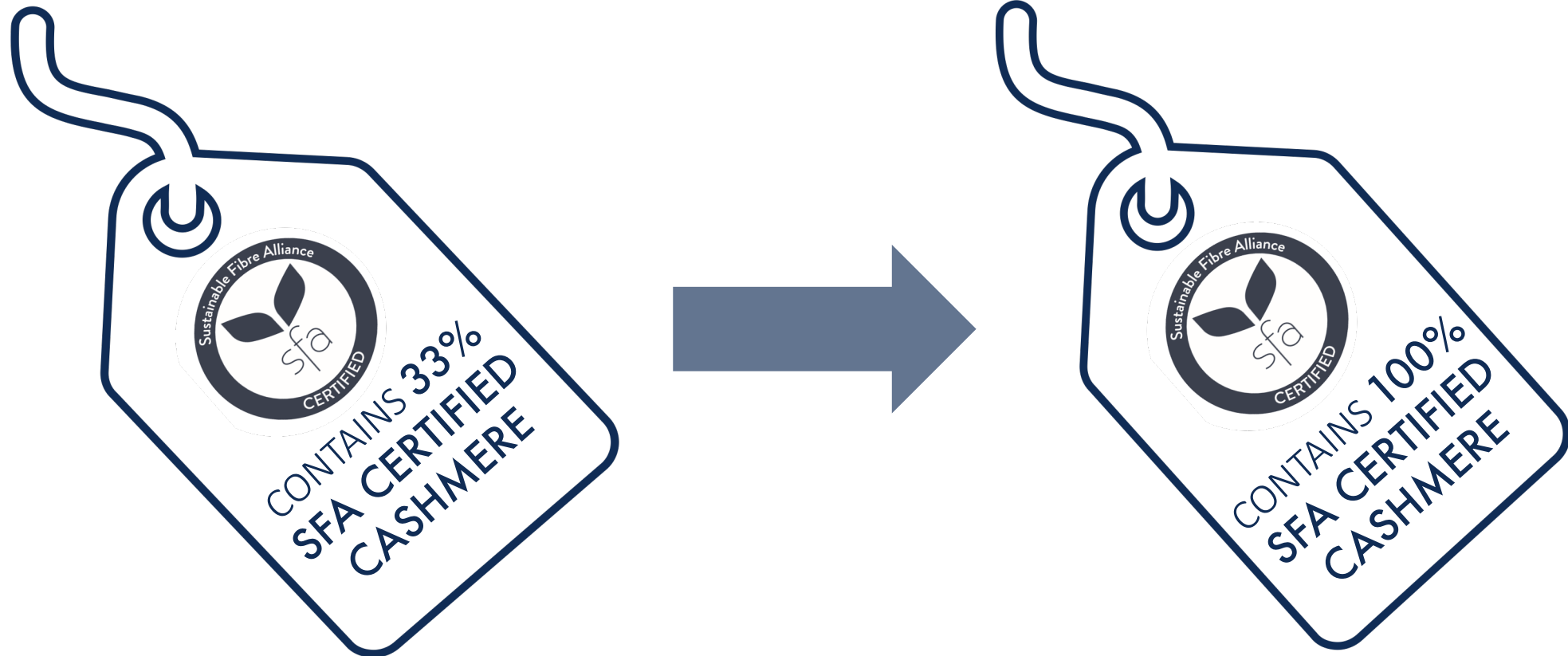
BATCH-LEVEL MASS BALANCE WITH DECLARED PERCENTAGE CLAIM





A flexible model for our diverse SFA Membership

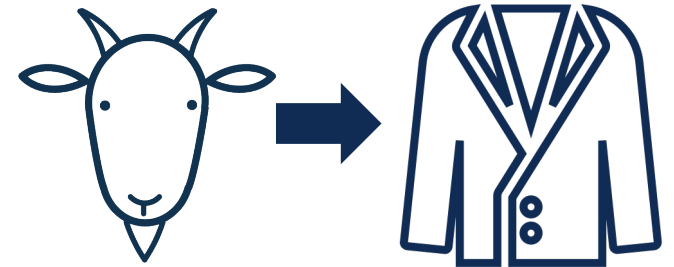
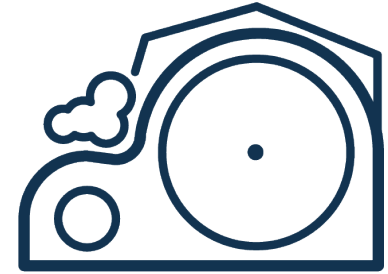
Any physical content between 33% and 100% is permitted – it's up to you...



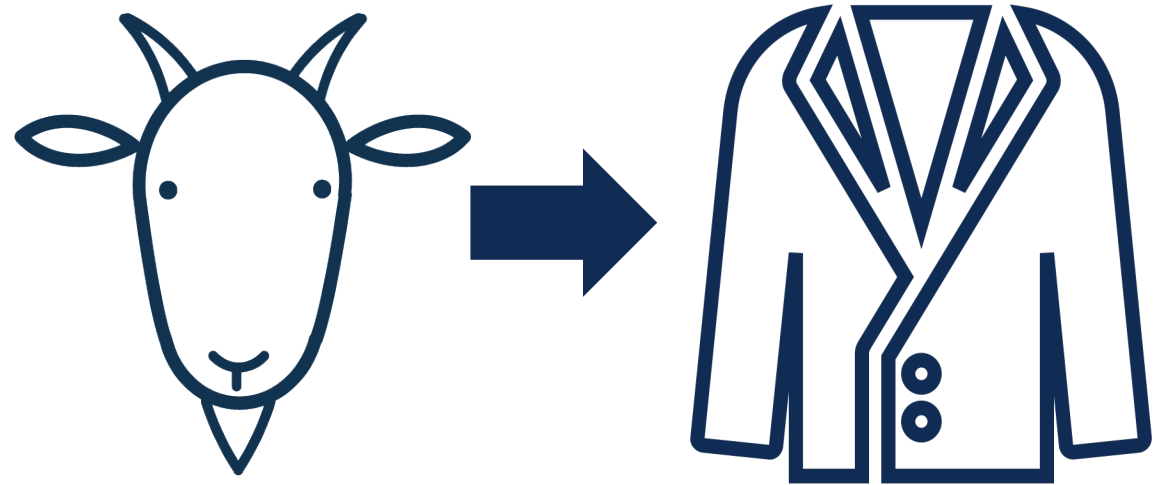


Our 2020 Chain of Custody Pilot

- In 2019, we traced SFA certified fibre up to first-stage processors
- This year, we will trace our fibre all the way to the **final garment** along **four 'goat to coat' pathways**
- Reflect **common supply chain routes** that are relevant for our both our Mongolian, Chinese and international membership base
- Participation **only available to SFA Members**



1. Identify **any logistic challenges** associated with implementing this particular model in the field
2. Assess its ability to meet our **members' needs**
3. Gain information that will be useful for **expanding the scope** of our chain of custody





Our Pathways



SFA Herders

Scour & Dehair

Processor/Manufacturer/Retailer (MONGOLIA)



SFA Herders

Scour & Dehair

Processor/Manufacturer/Retailer (UK)



SFA Herders

Scour & Dehair

Spinning

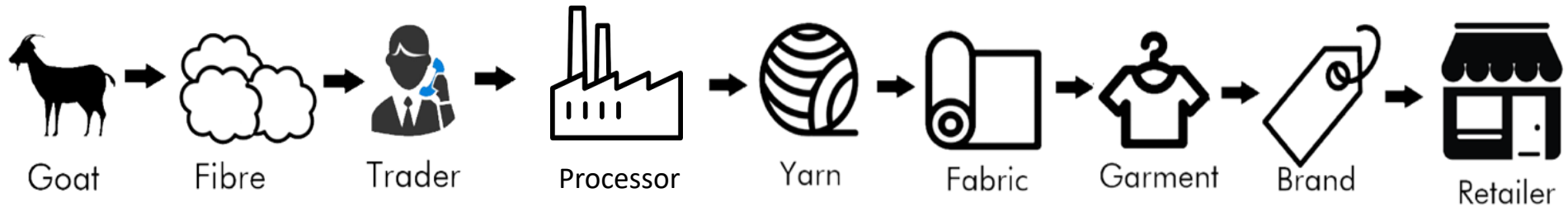
Manufacturer/Retailer (UK)

TBC

SFA Herders

Scour & Dehair

Processor/Manufacturer/Retailer (CHINA)



SFA CERTIFIED FIBRE: 2020 STOCK



HO #	Province	District	Herder Organization	Animal Husbandry CoP	Rangeland Stewardship CoP
1	Arkhangai	Ikh Tamir	Tamir Tavan Erdene		
2	Arkhangai	Chuluut	Buga Zurkh		
3	Arkhangai	Tariat	Khorgyn Misheel		
4	Arkhangai	Bulgan	Tekh Kharaikh		
5	Bayankhongor	Shine Jinst	Zalaajinst Torgon Sureg		
6	Dornod	Bayan Uul	Ulzyn Arvin Sureg		
7	Dzavkhan	Durvuljin	Janchiv Bakh		
8	Uvurkhangai	Bat-Ulzii	Malchdyn Hamtyn Khuch		
9	South Gobi	Bayandalai	Jargalantyn Itgelcel		
10	South Gobi	Nomgon	Khurkhyn Naran		
11	South Gobi	Bayan Ovoo	Shurkhan Zala		
12	Khovd	Most	Bayantul		

- Have a limited amount of certified fibre available
- We've had commitments to purchase for the chain of custody pathways
- Contact us now if you're interested in sourcing from our certified herders



Traceability System

- The system that records and follows the trail of fibre through the supply chain
- Aim is to compliment members existing traceability systems
- We will use Transaction Receipts, Bag Tags and verified Transaction Certificates for the 2020 CoC Pilot





Traceability System



Bag Tags



Seller

Transaction Receipt / Batch Reference: XXXXXXXX

Тогтвортой Ноос Ноолуурын Эвсэл

Transaction Receipt / Batch Reference: XXXXXXXX

Date: / /

1. BUYER DETAILS	2. SELLER DETAILS
Company Name:	Organisation/Company Name:
Type of Buyer (tick all that apply): <input type="checkbox"/> Trader <input type="checkbox"/> Processor <input type="checkbox"/> Manufacturer <input type="checkbox"/> Brand/retailer	Location of seller (town/city, province, country):
SFA Register ID:	SFA Register ID:
Contact number:	Contact number:

3. PRODUCT DESCRIPTION (Batch Details)				
Fibre Type (tick one):	<input type="checkbox"/> Raw <input type="checkbox"/> Washed <input type="checkbox"/> Dehaird <input type="checkbox"/> Yarn <input type="checkbox"/> Fabric			
Fibre Colour	Number of Bags	Bag ID numbers	Weight (KG)	Price per KG (MNT)
White				
Grey				
Brown				
TOTAL BAGS		TOTAL WEIGHT		TOTAL PRICE

Buyer Representative (Name): _____ Seller Representative (Name): _____

Signature: _____ Signature: _____

White Copy - SFA, Pink Copy - Seller, Yellow Copy - Buyer
Seller to send White Copy to the SFA: Room #32, 2nd floor, Grand Office, Olympic Street, Ulaanbaatar, Mongolia. Tel +976-70225559

Transaction Receipt



Buyer



Transaction Certificate

Transaction Certificate Number: TC000001

Тогтвортой Ноос Ноолуурын Эвсэл

Transaction Certificate Number: TC000001

BUYER DETAILS	SELLER DETAILS
Company Name:	Organisation/Company Name:
Type of Buyer (tick all that apply): <input type="checkbox"/> Trader <input type="checkbox"/> Processor <input type="checkbox"/> Manufacturer <input type="checkbox"/> Brand/retailer	Location of seller (town/city, province, country):
SFA Register ID:	SFA Register ID:
Contact number:	Contact number:

PRODUCT DESCRIPTION	
Fibre Type (tick one): <input type="checkbox"/> Raw <input type="checkbox"/> Washed <input type="checkbox"/> Dehaird <input type="checkbox"/> Yarn <input type="checkbox"/> Fibre <input type="checkbox"/> Garment/Product	
ITEM DESCRIPTION	PRODUCT WEIGHT (KG)
TOTAL WEIGHT OF SFA CERTIFIED CASHMERE USED (KG)	

DECLARATION:
This is to certify that the cashmere fibre purchased in the transaction above has been produced in accordance with the SFA's Cashmere Standard.

ISSUER STAMP	ISSUER DETAILS
	Тогтвортой Ноос Ноолуурын Эвсэл Ноолуурын үртэцийн сүлжээний тогтвортой байдлыг хөгжүүлэхийн төлөө
DATE ISSUED	CHECKED AND ISSUED BY: (name and role) CHECKED AND ISSUED BY: (signature)



Traceability System

Bag Tags


- Each batch of product sold in the supply chain (raw fibre, dehaired fibre, fabric or garments) will consist of a number of bags
- For collection from the field, bags that hold up to 100kg of fibre will be provided by the processors and stamped with the SFA Certified logo
- Each bag will have a securely attached tag with its **bag ID number** (1,2,3, ...X) and **batch reference** (transaction receipt number) to link it to the sale
- The bag tag will show the seller ID, fibre type, colour, weight and date of sale, along with the ID of the herder organisations that have contributed fibre to that particular batch

Herder Organisation ID/s:

.....

.....

.....



УУТНЫ ШОШГО
BAG TAG

Уутны дугаар
BAG #:

Малчны байгууллагын ID дугаар (ТННЭ-ээс олгосон)

SELLER ID:

Багцын дугаар BATCH#:

Ноолуурын өнгө* COLOUR:

Ноолуурын жин (kg):

Ноолуурын төлөв (нэгийг сонгох) FIBER TYPE: ☐ Түүхий эд бэлтгэл (Raw)

☐ Ангилан ялгалт (Sort) ☐ Угаах (Scour) ☐ Самнах (Dehair) ☐ Будах (Coloring)

☐ Холих (Blending) ☐ Сүлжих/Ээрэх (Yarn) ☐ Бэлэн бүтээгдэхүүн (Fabric)

Худалдаа хийсэн огноо DATE:


*Цагаан = 'W' Цайвар = 'G' Бараан = 'B'



Traceability System

Transaction Receipts

- A receipt from a triplicate book will be completed for every transaction of SFA Certified fibre, signed by buyer and seller
- Unique receipt number for each transaction
- Receipt will include the unique ID of the seller and buyer, a product description, the number of bags of each fibre colour and their bag ID numbers, along with their combined weight and price
- For transactions occurring after purchase from herder organisations, each receipt will list the previous (batch references of the fibre included in the sale
- Seller to send the top master receipt (white) to the SFA Mongolia office



ТОГТВОРТОЙ НООС
НООЛУУРЫН ЭВСЭЛ

Previous batch reference/s included in sale:
.....
.....

Transaction Receipt / Batch Reference: XXXXXXXX
Date:/...../.....

1. BUYER DETAILS		2. SELLER DETAILS			
Company Name:		Organisation/Company Name:			
Type of Buyer (tick all that apply): <input type="checkbox"/> Trader <input type="checkbox"/> Processor <input type="checkbox"/> Manufacturer <input type="checkbox"/> Brand/retailer		Location of seller (town/city, province, country):			
SFA Register ID:		SFA Register ID:			
Contact number:		Contact number:			

3. PRODUCT DESCRIPTION (Batch Details)					
Fibre Type (tick one): <input type="checkbox"/> Raw <input type="checkbox"/> Washed <input type="checkbox"/> Dehaired <input type="checkbox"/> Yarn <input type="checkbox"/> Fabric					
Fibre Colour	Number of Bags	Bag ID numbers	Weight (KG)	Price per KG (MNT)	Price (MNT)
White					
Grey					
Brown					
TOTAL BAGS		TOTAL WEIGHT		TOTAL PRICE	

Buyer Representative (Name): Seller Representative (Name):

Signature: Signature:

White Copy = SFA; Pink Copy = Seller, Yellow Copy = Buyer
Seller to send White Copy to the SFA: Room #32, 2nd floor, Grand Office, Olympic Street, Ulaanbaatar, Mongolia. Tel +976-70115559





Traceability System

Transaction Certificates

- After receiving the Transaction Receipt, the SFA will check the details and verify the sale by issuing a Transaction Certificate to the buyer and seller
- The Certificate will contain the same details as the Transaction Receipt
- Volume reconciliation will be used to check that the amount of certified fibre sold matches the amount that was bought
- Accounting for average conversion rates for the different processing and manufacturing stages along the supply chain



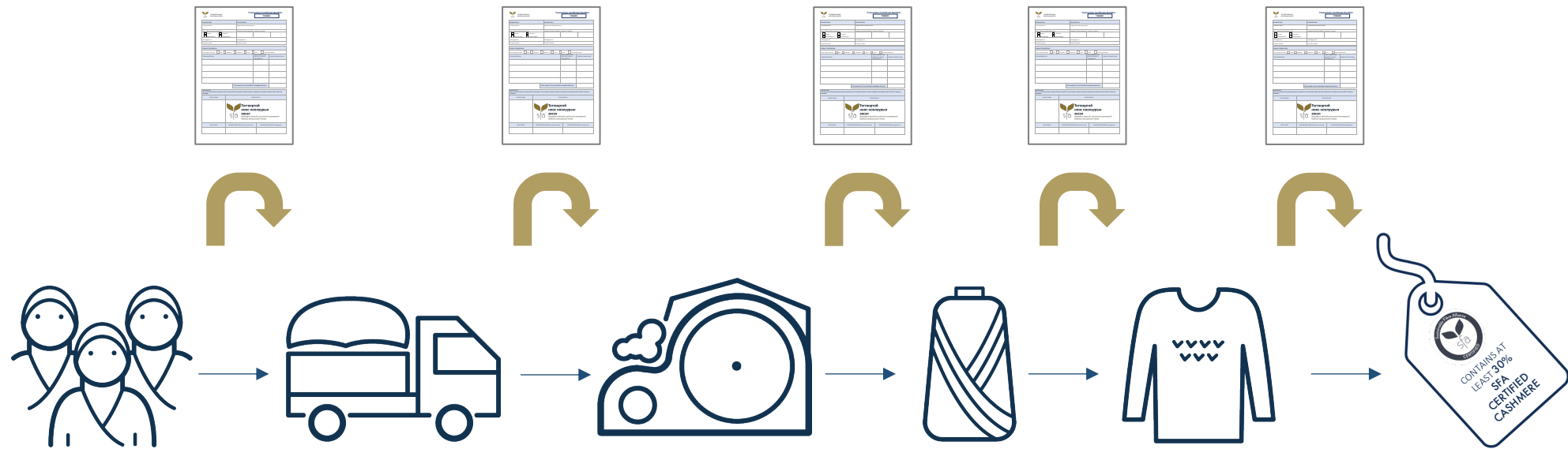
		ТОГТВОРТОЙ НООС НООЛУУРЫН ЭВСЭЛ	
		Transaction Certificate Number: TC000001	
BUYER DETAILS		SELLER DETAILS	
Company Name:		Organisation/Company Name:	
Type of Buyer (tick all that apply): <input type="checkbox"/> Trader <input type="checkbox"/> Manufacturer		Location of seller (town/city, province, country): <input type="checkbox"/> Processor <input type="checkbox"/> Brand/retailer	
SFA Register ID:		SFA Register ID:	
Contact number:		Contact number:	
PRODUCT DESCRIPTION			
Fibre Type (Tick one): <input type="checkbox"/> Raw <input type="checkbox"/> Washed <input type="checkbox"/> Dehaird <input type="checkbox"/> Yarn <input type="checkbox"/> Fibre <input type="checkbox"/> Garment/Product			
ITEM DESCRIPTION	FIBRE TRANSACTION RECEIPT(S) / BATCH REFERENCE(S)	PRODUCT WEIGHT (KG)	
		TOTAL WEIGHT OF SFA CERTIFIED CASHMERE USED (KG)	
DECLARATION: This is to certify that the cashmere fibre purchased in the transaction above has been produced in accordance with the SFA's Cashmere Standard.			
ISSUER STAMP		ISSUER DETAILS	
		 Тогтвортой ноос ноолуурын эвсэл Ноолуурын өртгийн сүлжээний тогтвортой байдалыг хөгжүүлэхийн төлөө	
DATE ISSUED	CHECKED AND ISSUED BY: (name and role)	CHECKED AND ISSUED BY: (signature)	

		ТОГТВОРТОЙ НООС НООЛУУРЫН ЭВСЭЛ	
		Transaction Certificate Number: TC000001	
BUYER DETAILS		SELLER DETAILS	
Company Name:		Organisation/Company Name:	
Type of Buyer (tick all that apply): <input type="checkbox"/> Trader <input type="checkbox"/> Manufacturer		Location of seller (town/city, province, country): <input type="checkbox"/> Processor <input type="checkbox"/> Brand/retailer	
SFA Register ID:		SFA Register ID:	
Contact number:		Contact number:	
PRODUCT DESCRIPTION			
Fibre Type (Tick one): <input type="checkbox"/> Raw <input type="checkbox"/> Washed <input type="checkbox"/> Dehaird <input type="checkbox"/> Yarn <input type="checkbox"/> Fibre <input type="checkbox"/> Garment/Product			
ITEM DESCRIPTION	FIBRE TRANSACTION RECEIPT(S) / BATCH REFERENCE(S)	PRODUCT WEIGHT (KG)	
		TOTAL WEIGHT OF SFA CERTIFIED CASHMERE USED (KG)	
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ISSUER STAMP		ISSUER DETAILS	
		 Тогтвортой ноос ноолуурын эвсэл Ноолуурын өртгийн сүлжээний тогтвортой байдалыг хөгжүүлэхийн төлөө	
DATE ISSUED	CHECKED AND ISSUED BY: (name and role)	CHECKED AND ISSUED BY: (signature)	



Traceability System

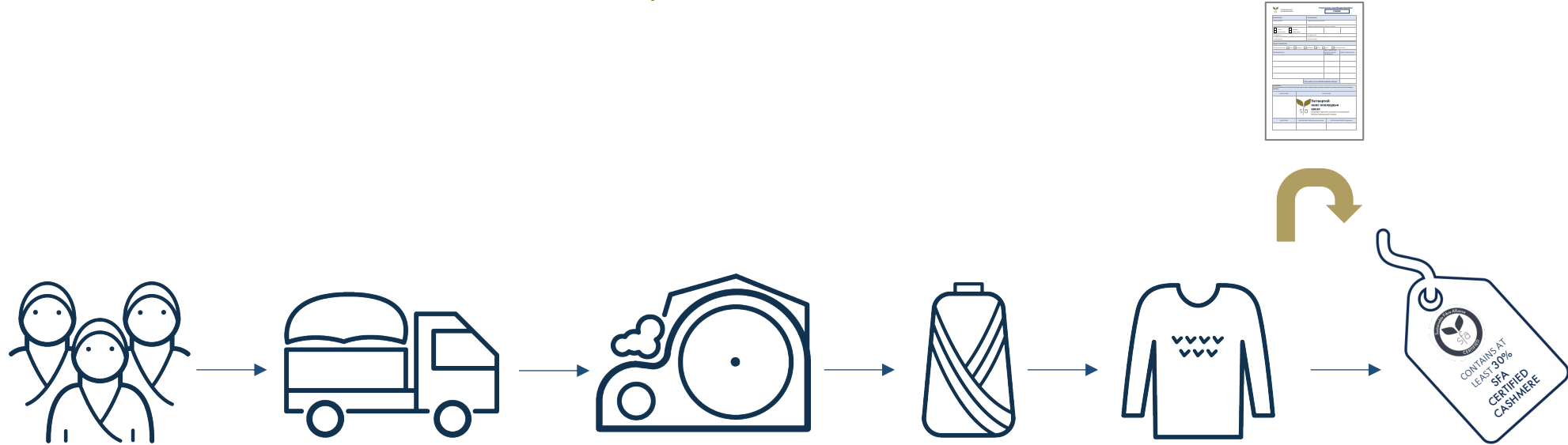
A Transaction Certificate is required every time the product changes ownership





Traceability System

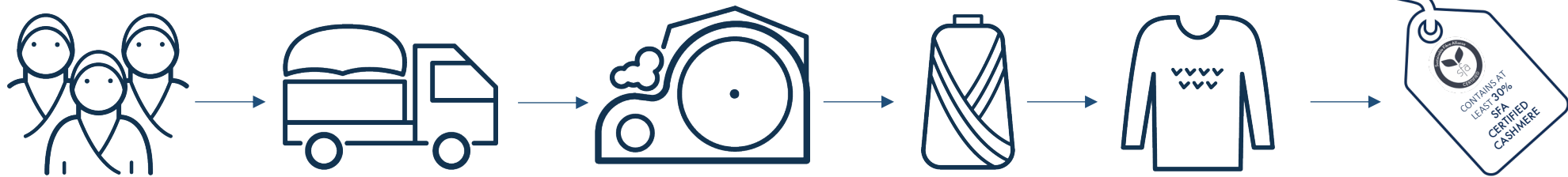
A company does not need to know certification details beyond its immediate supplier to be assured that material purchased is certified.





Traceability System

- Volume reconciliation is done at each point, based on the information in the Transaction Certificates
- Provide us with accurate, verified records of certified inputs and outputs of SFA cashmere
- Means that a single company within the supply chain can make **a valid claim to sell SFA Certified cashmere** if they have proof of SFA Certified inputs.





What would success look like?

1. Batch-level mass balance found to be an appropriate model for SFA cashmere
2. Logistic challenges are identified
3. SFA Members able to make credible claims
4. Information gained to expand the scope of our chain of custody from 2021
5. Able to share our experience and lessons learned with the cashmere sector to increase transparency and drive greater volumes of certified fibre through the supply chain.



THANK YOU