



**SUSTAINABLE
FIBRE
ALLIANCE**

Creating a Sustainable Cashmere Value Chain



CHAIN OF CUSTODY

2020 PILOT GUIDELINES

Version 1

For use from 1st May 2020 for the 2020 CoC Pilot

About these Guidelines

This document provides an overview of the SFA Chain of Custody (CoC) Guidelines for use in the 2020 CoC Pilot. This is a 'living document' and the SFA reserves the right to revise these Guidelines based on implementation experience and emerging good practice.

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Inquires or feedback

The Sustainable Fibre Alliance welcomes your input into these 2020 CoC Pilot Guidelines. Please contact us by phone (+44 7827731354) or email (info@sustainablefibre.org) if you have any inquiries or feedback.

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1. Introduction

The SFA is a non-profit, multi-stakeholder organisation working to ensure the long-term viability of the global cashmere industry. Our vision is a future where cashmere is produced in a way that minimises environmental impact, safeguards herder livelihoods and meets high welfare standards. The SFA Cashmere Standard offers a holistic certification scheme for cashmere that contributes to sustainability by:

- ⇒ Promoting the adoption of environmentally friendly, socially responsible and high welfare cashmere production practices.
- ⇒ Increasing the security of herders' livelihoods and building resilience to social and environmental change.
- ⇒ Ensuring the long-term supply of high-quality, sustainable fibre to the international market.

1.1. SFA Chain of Custody model

Building on our success to date, we have ambitious plans to expand our reach across Mongolia and into Inner Mongolia and to achieve a 5-fold increase in the volume of SFA Certified fibre by 2030. An integral part of this expansion is the development of the SFA Chain of Custody (CoC), the goal of which is to ensure the accuracy of claims regarding the content of SFA Certified fibre in a final product¹.

CoC provides assurance that products bearing an SFA Certified Logo, or sold with an SFA Certified claim, originate from an SFA certified producer. The SFA achieves this by maintaining

¹ 'SFA Certified fibre' is cashmere fibre that has been produced according to the SFA's three codes of practice: Rangeland Stewardship, Animal Husbandry and Clean Fibre Processing.

a rigorous, credible, effective and efficient program that ensures traceability of SFA Certified Cashmere². In turn, this allows to grow the demand for and supply of SFA Certified cashmere through increased investment from the cashmere supply chain.

1.2. CoC Pilot Guidelines

Our Chain of Custody Pilot Guidelines outline the set of requirements for organisations along the cashmere supply chain who are participating in our 2020 CoC pilot and will be buying or selling SFA Certified fibre or products. Once the pilot has been completed and evaluated, these guidelines will be revised to take forward from 2021.

These Guidelines will be the framework that connects livestock herders with international consumers, helps incentivise herders to adopt more responsible production practices and allows brands and retailers to demonstrate their commitment to a sustainable cashmere industry.

The SFA will be piloting one CoC model in 2020: **full segregation with a minimum threshold**, also known as batch-level mass balance. First, we will describe this model and it can be applied to the cashmere supply chain. We will then describe the CoC pilot for spring 2020, and how we plan to test the model in the field using four different CoC pathways.

² The Chain of Custody does not cover the certification of the raw material itself; or address processing inputs, environmental, social or safety issues, or legal compliance.

1.3. Full segregation vs mass balance

Key factors define full segregation and mass balance chain of custody models:

Full segregation ensures that certified product is kept separate from non-certified sources through each stage of the supply chain, allowing assurance that the ingredients within a particular product originate from certified sources. Full segregation permits the mixing of certified products from a variety of sources certified to the same product. Under this model, physical mixing of certified and non-certified content is not allowed.

In contrast, **mass balance** is an overarching term for various different types of chain of custody which involve mixing of certified and non-certified product, provided that the quantities are controlled. In mass balance models, the volume of certified product entering the operation is controlled and an equivalent volume of product leaving the operation can be sold as certified. The physical mixing of certified and non-certified is allowed, but not required, at any stage of the production process, provided that the quantities are controlled in documentation.

There are three different types of mass balance (batch-level, site-level and group-level). The particular type of mass balance is defined by the following two variables:

1. Whether physical mixing of certified and non-certified content occurs, and
2. At what stage in the supply chain segregation is lost and how often.



Key factors for full segregation and mass balance chain of custody models

General factors for full segregation

- ⇒ Certified product is kept physically separate from non-certified product through each stage of the supply chain
- ⇒ Permits mixing of certified product (i.e. different batches of product certified to the same standard can be mixed together).
- ⇒ Documentation associated with certified physical product clearly separates between certified and non-certified and may be used to track each individual batch of certified physical product separately in the associated documentation.
- ⇒ The certified products are mixed, but the documentation may retain specific origin information to denote the origin from a specific region or country in the claim.

General factors for mass balance

- ⇒ Certified physical product is not separated from and may be mixed with non-certified physical product at any stage in the production process, provided that the quantities are controlled.
- ⇒ Consists of reconciliation of inputs and outputs of certified product throughout the manufacturing process
- ⇒ Volumes can be balanced at batch level, site level or group level
- ⇒ May be a percentage-based (physical mixing) or volume-based system
- ⇒ The ability to audit is stronger with batch level, then decreases for site, then decreases further with group
- ⇒ Batch-level mass balance is the only type of mass balance where you can guarantee that there is any certified content in each final product
- ⇒ The associated documentation refers to the mix of batches of certified physical product.

1.4. Batch-level mass balance

Batch-level mass balance can also be described as **full segregation with minimum threshold**. Also known as ‘percentage blending’ or ‘batch blending’, batch-level mass balance maintains physical segregation of certified product until the final point of blending or mixing for a specific batch of a product. Mixing with non-certified product is controlled and recorded, so the proportion of certified content in each final product is known. Under this model, certified and non-certified cashmere fibre can be mixed within an actual product. This type of mass-balance ensures the end-product contains at least a proportion of certified product, which allows specific end-use claims to be made. For a detailed description of batch-level mass balance, please refer to ISEAL’s reference document for [chain of custody models and definitions](#).

1.5. Batch-level mass balance for the cashmere sector

In the cashmere industry, fibres are generally supplied in bulk and mixed during shipping and manufacturing, which presents significant challenges to keeping certified fibre separate from non-certified fibre. The mass balance approach allows us to bring the benefits of SFA certification to as many herder organisations and SFA members as possible.

With the batch-level mass balance approach, SFA certified cashmere fibre will be kept physically separate from non-certified fibre until the final point of mixing, however this mixing is controlled and recorded, so the exact proportion of SFA certified content in each final product is known. It permits the mixing of SFA certified fibre from a number of different herder organisations that have all been certified against the SFA Cashmere Standard.

1.6. Minimum threshold of 33% certified

Based on recommendations from the SFA Chain of Custody working group, we have decided to

pursue a minimum threshold of 33% (one third) of SFA Certified fibre in final cashmere products. This is a *minimum threshold*, meaning that final products can contain anywhere between 33% and 100% SFA Certified fibre. This model provides our members with flexibility, allowing them to pursue any content above 33% that best fits with their own supply chain dynamics, manufacturing constraints and quality demands.

For example, SFA members can mix SFA certified fibre with non-certified to maintain a particular quality standard, however they are also able to produce a cashmere garment with 100% SFA Certified fibre. SFA members will have the discretion to select the final content of SFA certified fibre that best suits their needs, as long as it is at least 33%.

SFA Certified fibre can be mixed with non-certified fibre as long as the total content of certified fibre in the final product is 33% or greater.

Thanks to the flexibility offered by this minimum threshold, we can accommodate the diverse needs of our membership base and encourage companies to make the transition towards buying increasingly greater quantities of SFA certified fibre. As for our SFA herder organisations, they are not concerned with where their fibre ends up. What matters to them are the benefits they experience, such as better incomes and greater livelihood security.

1.7. End-use claims

There are two types of claims that can be made with batch-level mass balance: declared percentage claim and certified source content claim. To understand the difference, imagine that two factories, Factory A and Factory B, buy in twice as much non-certified product as certified product. Both factories use batch-level mass balance to make a range of goods. Factory

A chooses to declare the overall percentage of certified product in goods made from a batch – a declared percentage claim. At Factory B, they decide the label goods from their batch as either ‘certified’ or ‘non-certified’. 33% of the goods made from the batch are labelled ‘contains certified content’. The remainder two thirds (66%) of goods are unlabelled. For the 2020 Pilot, the SFA recommends the use of **declared percentage claims** (see Figure 1 below).

2. Accreditation

Before an organisation can seek accreditation from the SFA, they must register with us. For full details of the Registration Scheme, refer to The SFA Sustainable Cashmere Fibre Registration Scheme Handbook and the Registration Scheme Handbook for Processing Plants.

Currently, only herder organisations and first-stage processors can be assured against the SFA Cashmere Standard.

We have two codes of practice targeted at the herder level: Animal Husbandry Code of Practice and Rangeland Stewardship Code of Practice. A third code of practice (Clean Fibre Processing Code of Practice), being implemented for the first time in 2020, is targeted at the scouring and dehairing process of cashmere fibre.

To achieve accreditation from the SFA, registered organisations and processing plants will need to demonstrate compliance with the relevant code of practice/s. This is achieved by undergoing a Compliance and Accreditation review. Following the first review, the processing plant may have corrective actions to address. When these corrective actions have been successfully addressed, accreditation will be granted. Once accreditation has been achieved, the herder organisation or processing plant will be required to participate in accreditation reviews on a regular basis in order to retain their accreditation.

Batch-level mass balance: Declared percentage claim

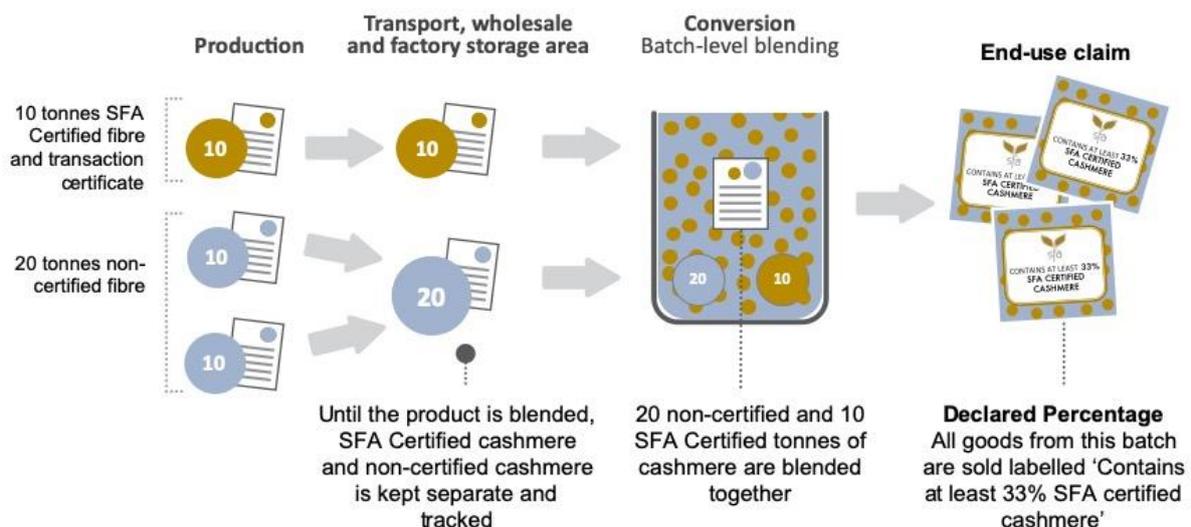


Figure 1 How batch-level mass balance would work for SFA Certified fibre, using declared percentage claims.

2.1. Herder organisations

After registering with the SFA, herder organisations are assessed against the requirements of our Animal Husbandry and Cashmere Fibre Harvesting Code of Practice (hereafter referred to as Animal Husbandry Code of Practice) and our Rangeland Stewardship Code of Practice. If they comply with the minimum requirements of a code of practice, they are accredited by the SFA against that code of practice at bronze, silver or gold level.

Herder organisations can therefore have different compliance levels for Rangeland Stewardship and Animal Husbandry Codes of Practice.

2.1.1. Fibre from SFA herder organisations can only be marketed as 'SFA Certified' once compliance has been achieved in both Animal Husbandry and Rangeland Stewardship Codes of Practice.

2.1.2. This fibre must also be scoured and dehaired at an SFA Certified processing plant.

Fibre sold by herder organisations is only 'SFA Certified' when they are compliant with both Animal Husbandry and Rangeland Stewardship Codes of Practice.

2.2. First-stage processors

First-stage processing of cashmere fibre includes scouring (washing) and dehairing of cashmere fibre, both of which are covered by our Clean Fibre Processing Code of Practice. Some processors carry out both scouring and dehairing, while others are only involved one of

the processors. To account for this, the code of practice is separated in scouring and dehairing pathways. After registering with the SFA, processing plants are assessed against the requirements of their relevant pathway (scouring, dehairing or both combined) and, if they meet the minimum requirements, are accredited at bronze, silver or gold level.

2.2.1. Scouring processors can only label their cashmere as 'SFA Certified' if they have sourced it from SFA Certified herder organisations (i.e. herder organisations compliant with both Animal Husbandry and Rangeland Stewardship Codes of Practice).

2.2.2. Dehairing processors can only label their cashmere as 'SFA Certified' if they have sourced it from scouring plants that have been certified against the Clean Fibre Processing Code of Practice.

2.2.3. Combined scouring and dehairing processors can only label their cashmere as 'SFA Certified' if it has been sourced from SFA Certified herder organisations.

Fibre sold by processors is only 'SFA Certified' when they are compliant with the Clean Fibre Processing Code of Practice and they have sourced SFA Certified herder organisations.

SFA Certified fibre must be sourced from processors that have either individually or collectively met the minimum requirements for all three pathways in the Clean Fibre Processing Code of Practice (Company level, Scouring and Dehairing)

2.3. Where does chain of custody fit in?

While the SFA Cashmere Standard provides assurance of responsible production practices for cashmere fibre, chain of custody is the system of tracing SFA Certified fibre through the supply chain (Figure 2). CoC provides assurance that products bearing an SFA Certified Logo, or sold with an SFA Certified claim, originate from an SFA certified producer. The SFA achieves this by maintaining a rigorous, credible, effective and efficient CoC that ensures traceability of SFA Certified Cashmere. In turn this allows to grow the demand for and supply of SFA Certified cashmere through increased investment from the cashmere supply chain.



Figure 2 Accreditation and chain of custody (CoC) certification

3. The SFA CoC Pilot

In spring 2020, we will trace raw fibre from SFA Certified herding organisations in Mongolia along four different pathways following a full segregation with minimum threshold, or **batch-level mass balance**, model of chain of custody. These pathways, which are described in Section 6 below, have been designed to reflect common supply chain routes relevant to our diverse membership base.

Given that the cashmere harvest season is already underway, we have also needed to consider the considerable time and logistical constraints associated with planning and implementing this pilot. To account for these constraints, we have developed pathways that are relatively simple (i.e. involving fewer transactions) compared to some of our members' supply chains.

Each pathway will be run with 10 tonnes of raw (greasy) fibre. This is based on the quantity of raw fibre that can be procured from eligible SFA herder organisations (see participation criteria below).

Exactly how the 33% minimum content is maintained is to be determined by the company, based on their own quality standards and technical constraints. The company must be open to an external audit to ensure a robust chain of custody process.

COVID-19 RISK MANAGEMENT

Significant disruption is expected to the pilot due to the **Covid-19 pandemic**. We will work closely with participating organisations to best accommodate any changes to the pilot's implementation that are required due to disrupted supply chains, travel restrictions, mill and retail closures and other impacts.

3.1. Aims and objectives

The 2020 chain of custody (CoC) pilot provides an opportunity to trial the batch-level mass balance model in the cashmere supply chain.

Our **key aims** for this pilot are to:

1. Identify any logistic challenges associated with implementing batch-level mass balance chain of custody model in the field;
2. Assess its ability to meet the needs of our members; and
3. Gain information that will be useful for expanding the scope of our CoC in 2021.

We have the following **ten objectives**:

1. Test the usability and effectiveness of the SFA CoC Pilot Guidelines
2. Assess effectiveness of participating organisations existing traceability systems
3. Determine fibre characteristics and quality of the participating SFA herder organisations
4. Determine how to address the point of mixing for SFA fibre during manufacturing
5. Establish estimates of average conversion rates at each stage of processing
6. Identify any logistical challenges associated with the segregation of certified fibre during production
7. Determine likely auditing costs
8. Build relationships with key stakeholders in Mongolia during pilot implementation
9. Produce the first ever SFA-certified cashmere products with associated claim statements and logos
10. Demonstrate to our members and herders that we can physically trace SFA Certified fibre through the supply chain, bringing value to all users.

4. Participation Criteria

Here we outline the participation criteria for the supply chain organisations involved in the CoC pilot. Registration with the SFA is obligatory for all herder organisations and fibre agents (traders), while SFA Membership is obligatory for all first-stage processors. Membership is also required from brands/retailers wishing to make final product claims regarding SFA Certified cashmere. For the purposes of the 2020 CoC Pilot, manufacturers involved in a particular CoC pathway do not have to be members of the SFA, however they must share their company details with the SFA to be included on the CoC database.

4.1. Herder organisations

Herder organisations will only be eligible for participation if they:

- ✎ are registered with the SFA;
- ✎ are compliant with the minimum requirements of the Animal Husbandry Code of Practice *and* the Rangeland Stewardship Code of Practice.

For the 2020 Pilot, 12 herder organisations meet these criteria, providing an output of approximately 50 to 60 tonnes of raw fibre. We have record of the dominant fibre colours available (brown, grey or white), but no further quality considerations will be taken into account. Any certified fibre not included in the CoC Pathways will be offered to SFA Members to run through their own supply chain using the CoC Pilot Guidelines alongside their own traceability systems.

The SFA are providing a £15,000 pot to be shared between the herder organisations that participate in the CoC pilot. This does not represent a price premium but is designed to encourage participation and acknowledge the additional time and cost involved.

4.2. Processing Plants

Fibre processing plants will only be eligible for participation if they:

- ✎ are registered with the SFA;
- ✎ are a registered Mongolian company;
- ✎ are a combined scouring and dehairing processor;
- ✎ are participating in the SFA Clean Fibre Processing Code of Practice pilot and currently undergoing assessment

For first-stage processors, this pilot provides an immediate opportunity to promote their compliance with our newly developed Clean Fibre Processing Code of Practice. It will also raise their profile in the cashmere sector by demonstrating their ability to comply with our Guidelines and will place them in a strong position for when we expand our CoC to accommodate a larger volume of fibre in 2021.

4.3. Brands/Retailers

For our SFA brand and retailer members, organisations will only be eligible for participation if they:

- ✎ have been an SFA member for at least two years, as of February 2020 (with the exception of the Chinese pathway);
- ✎ are already sourcing fibre directly from Mongolia;
- ✎ can produce a final garment containing at least 33% SFA Certified fibre;
- ✎ retail their own cashmere garments;
- ✎ have previously been audited for chain of custody on another product (e.g. The Responsible Wool Standard);
- ✎ are willing to cover the costs of the chain of custody audit.

By participating in this pilot and complying with the SFA CoC Pilot Guidelines, brands and retailers can demonstrate their use of

responsibly produced cashmere and may use the SFA Certified Logo on their products. This will represent the first opportunity to offer products containing SFA Certified cashmere and thus presents a fantastic marketing opportunity.

5. Chain of Custody Pathways

Here we provide a broad overview of the five different pathways that make up our 2020 pilot (see Figure 3). The exact supply chain routes may vary depending on which supply chain organisations are involved in the pilot.

Each of pathway will follow approximately 10 tonnes of raw fibre of a single colour from SFA Certified herder organisations to the final product.

In **Phase 1**, fibre will be collected from the field and transported to scouring and dehairing plants by independent fibre agents or those employed directly by the processor. **Phase 2** covers the full processing and manufacturing process, from scouring of raw fibre to the final product.

Mixing of certified and non-certified content is not permitted until the spinning stage. Processors can either mix at the point of spinning, to create yarn with minimum 33% certified content, or mix at the point of weaving, using a combination of 100% certified yarn and non-certified yarn. Both options are acceptable, as long as volumes are recorded correctly and stated in the final product claim.

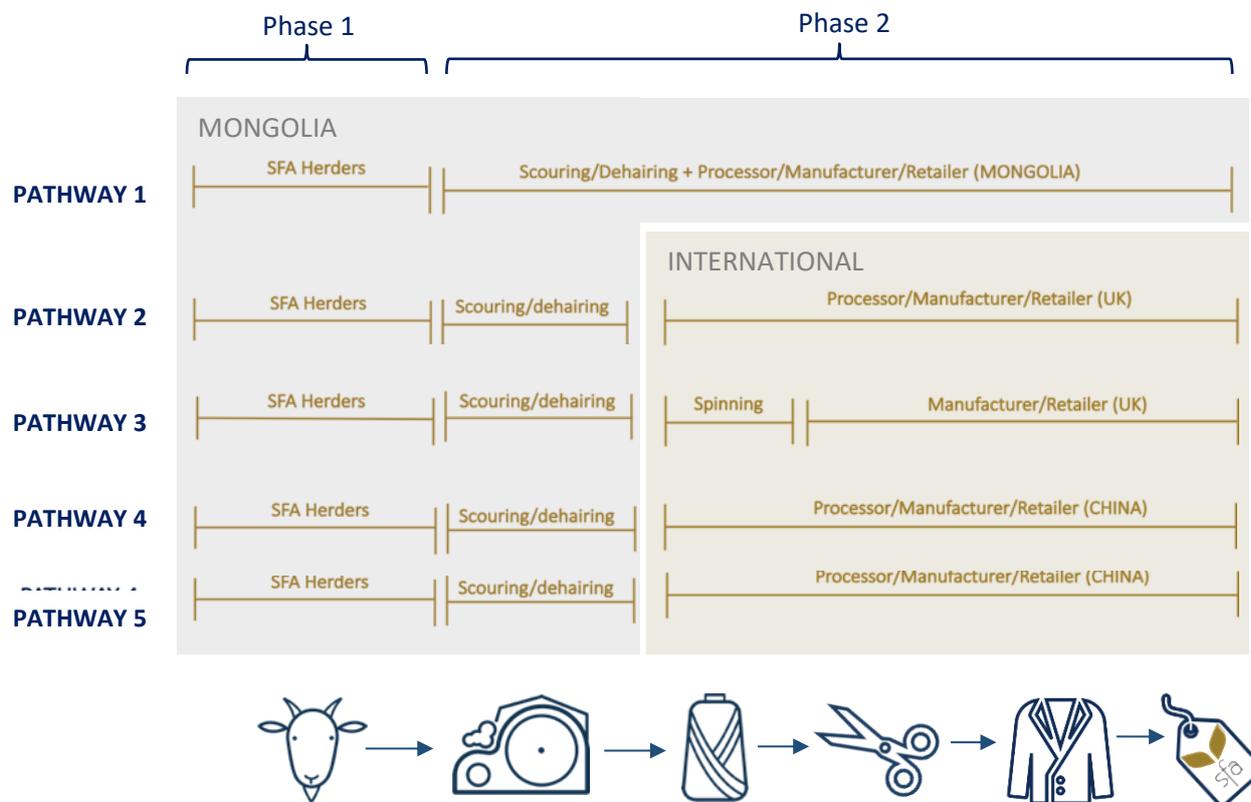


Figure 3. Five Pathways of the 2020 Chain of Custody Pilot

6.3. Transaction Certificates

Transaction Certificates will provide us with accurate, verified records of certified inputs and outputs of SFA cashmere. This means that single company within the supply chain can make a valid claim to sell SFA Certified cashmere if they have proof of SFA Certified inputs.

BUYER DETAILS		SELLER DETAILS	
Company Name:		Organisation/Company Name:	
Type of Buyer (tick all that apply):			
<input type="checkbox"/> Trader <input type="checkbox"/> Manufacturer		<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 үртгийн сүлжээний тогтвортой байдлыг хөгжүүлэхийн төлөө	
		DATE ISSUED	CHECKED AND ISSUED BY: (name and role)

Transaction Certificates will be issued by the SFA to the buyer and seller each time SFA Certified cashmere changes ownership (see Figure 4). The details on the Transaction Certificate will match the those of the Transaction Receipt, as well as the company invoices and shipping documents. A company does not need to know the certification details beyond its immediate supplier to be assured that the fibre they purchased is SFA Certified.

6.4. Record Keeping

In addition to the SFA's internal CoC database, participants in the 2020 CoC Pilot are required to keep their own records to document the handling of SFA certified cashmere. This will rely on participants existing traceability systems. In

this way, we can trial our own physical traceability system of bag tags, transaction receipts and transaction certificates alongside participants' existing traceability systems. Running these two systems side by side will provide the opportunity to evaluate challenges and potential synergies when developing SFA's CoC system for 2021.

6.5. Phase 1: Herder to Processor

During the sale of fibre, herder organisations will complete a Transaction Receipt (using a triplicate booklet which has already been issued to them by the SFA) containing a detailed product description of the fibre batch. Bag tags will be completed and attached to each bag, linking them to that particular batch. A photo of the Transaction Receipt will be emailed to the SFA Mongolia office and a hardcopy will be sent in the post or (if present) given directly to SFA staff or representatives in the field.

After receiving a photo of the receipt, the SFA will enter the relevant details into our CoC database and issue an electronic version of a Transaction Certificate to the seller (i.e. the herder organisation) and buyer (the fibre agent or the processing plant). Hard copies will also be sent in the post for the seller and buyers' records.

6.6. Phase 2: Processor to Final Product

During the processing and manufacturing of SFA Certified fibre, participating organisations must follow the SFA Chain of Custody Pilot Guidelines and use their own traceability systems for keeping records. Completion of a Transaction Receipt will be required every time the fibre changes ownership. For each transaction, new bag tags must be attached to each bag of cashmere fibre or cashmere-containing product in the batch.

- First Transaction (e.g. herder organisation to fibre agent)
- Second Transaction (e.g. fibre agent to first-stage processor)
- Third Transaction (e.g. first-stage processor to manufacturer, and so on...)

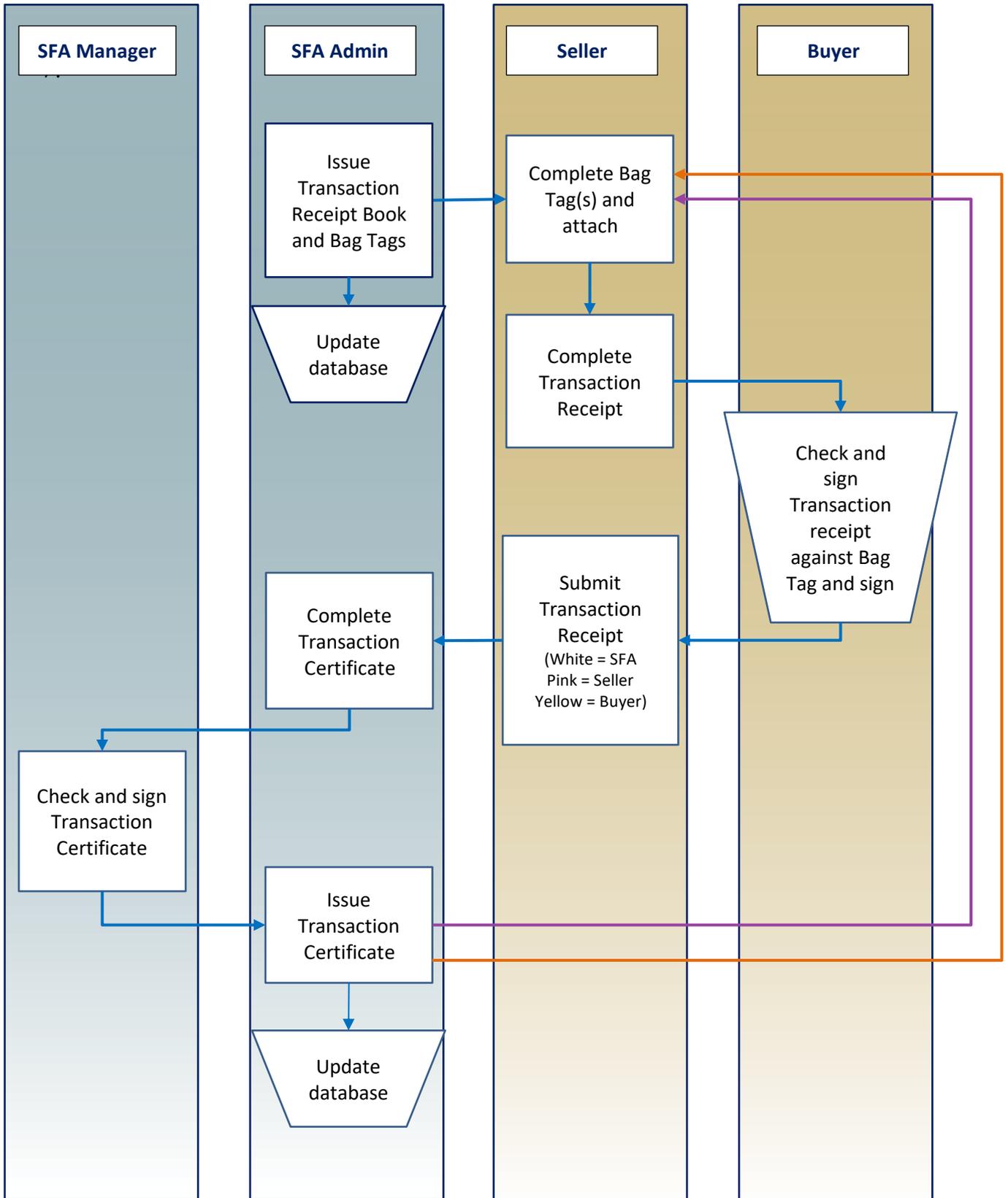


Figure 4 Full CoC Process Flow Diagram

8. Claims Framework

This section outlines the sustainability claims that organisations participating in the 2020 CoC Pilot can make regarding the content of SFA Certified fibre in their products. Different claims will be allowed for CoC Users, depending on the stage of the supply chain that they cover (Table 1). User organisations may be involved with multiple stages of the supply chain process.

Table 1 Claims Framework for participants in the SFA 2020 CoC Pilot

CoC Users	Conditions of Claim	Claim Statement
Herder Organisation	<ul style="list-style-type: none"> Listed on the SFA Register Compliant in the Rangeland Stewardship Code of Practice and the Animal Husbandry Code of Practice 	<p>“We are an SFA Bronze/Silver/Gold Certified producer of cashmere fibre”</p> <p>Raw cashmere can be sold as “SFA Certified fibre”, but only to first-stage processors that are participating in the CoC pilot.</p>
Fibre Agent	<ul style="list-style-type: none"> Listed on the SFA Register SFA Certified raw fibre must only be sold to first-stage processors that are participating in the pilot of the Clean Fibre Processing Code of Practice Marketing of dehaired ‘SFA Certified fibre’ on the open market is not permitted without permission from the SFA 	<p>“I am/We are an SFA Registered Trader of cashmere fibre”</p> <p>Raw cashmere can be sold as “SFA Certified fibre”, but only to first-stage processors that are participating in the CoC Pilot</p> <p>Dehaired cashmere can be sold as “SFA Certified fibre” to manufacturers that are participating in the CoC Pilot</p>
First-Stage Processor	<ul style="list-style-type: none"> Listed on the SFA Register Participating in the pilot of the Clean Fibre Processing Code of Practice Marketing of dehaired ‘SFA Certified fibre’ on the open market is not permitted without permission from the SFA 	<p>“We are an SFA Bronze/Silver/Gold Certified producer of cashmere fibre”</p> <p>Dehaired cashmere can be sold as “SFA Certified fibre” to participants in the CoC Pilot.</p>
Manufacturer	<ul style="list-style-type: none"> Company details listed on the SFA CoC database Products containing SFA Certified fibre are only sold to SFA Members 	<p>“This product contains [at least] X% of SFA Certified cashmere”</p>
Brand/retailer	<ul style="list-style-type: none"> SFA Member Brands must retail their own products 	<p>“This product contains [at least] X% of SFA Certified cashmere”</p> <p>Hang tags on cashmere-containing products can include the SFA Certified Logo (see Annex)</p>

9. Herder Organisation Requirements

Guidance:

This section outlines requirements for SFA Certified herder organisations related to the harvest, sorting, packing and sale of raw fibre to fibre agents.

9.1. Documented procedures, training and responsibilities

- 9.1.1. SFA herder organisations that participate in this pilot must have been verified as compliant with the minimum requirements of the SFA Rangeland Stewardship Code of Practice and the Animal Husbandry Code of Practice, following the SFA Cashmere Standard Assurance Procedure.
- 9.1.2. Fibre shall be harvested according to the SFA Animal Husbandry Code of Practice.
- 9.1.3. Fibre shall be sorted by colour (White, Grey and Brown) and packed into temporary storage bags, according to the SFA's Fibre Sorting Protocol.
- 9.1.4. Fibre from herder families that are members of the SFA certified herder organisation must be kept separate from fibre from families that are *not* members of the herder organisation.

9.2. Records

- 9.2.1. Each herder organisation on the SFA Register will be allocated a unique identifying code (ID).
- 9.2.2. The herder organisation shall implement a record keeping system to maintain complete and up-to-date records covering all aspects of the SFA CoC.
- 9.2.3. Records shall be retained for at least five years and be open for checking by the SFA.

Guidance:

Herder Organisations are encouraged to use a logbook to record details on fibre stocks, buyer enquiries and transaction details. The SFA will provide on the ground support for record keeping. As this is a pilot of the CoC guidelines, herder organisations are also asked to keep a feedback log to provide to the SFA based on any challenges/issues encountered in the implementation of the pilot.

9.3. Material output records

- 9.3.1. During the collection process, fibre should be repacked into large bags provided by the Fibre Agent. Each bag must be labelled with an SFA Certified logo and a completed Bag Tag.

Guidance:

Bags with the SFA Logo will be provided to Fibre Agents by the SFA. Bag tags will be provided by the SFA directly to the herder organisation, based on the estimated yield of the year's harvest. Tags must be securely attached to the top of the fibre bags using cable ties provided by the SFA. The first bag to be packed and labelled will be Bag #1, the second Bag #2 etc. There will not be two bags of the same number in a batch of fibre being sold in a single transaction.

Tags must be filled in using a pen or permanent marker (pencil is not permitted), and the information **must** be clearly legible and free of corrections or errors. If a mistake is made during completion, then a new tag must be used and the tag with incorrect or ineligible information destroyed.

The batch reference number is the same as the transaction receipt number, listed in the top right-hand corner of the transaction receipts.

- 9.3.2. The herder organisation shall ensure that every batch of SFA certified fibre is accompanied by a completed Transaction Receipt, listing all the relevant information required for the CoC.

Guidance:

Receipts are printed in triplicate booklets, so that copies of the receipt can be kept by the herder organisation (i.e. the seller), the trader or fibre agent (i.e. the buyer) and the third can be sent to the SFA office. Triplicate booklets will be issued by the SFA to all certified herder organisations that are participating in this CoC Pilot.

- 9.3.3. Each Transaction Receipt must be signed and dated by a representative of the herder organisation (i.e. the seller) and by the fibre agent (i.e. the buyer).
- 9.3.4. The herder organisation must keep the Pink copy of the Transaction Receipt for their records and provide the buyer with the Yellow copy at the point of sale.
- 9.3.5. The herder organisation must send a photo of the White copy (the top copy) of the Transaction Receipt to the SFA Mongolia office, using the email address that is listed for the herder organisation on the SFA Register.
- 9.3.6. In addition to the email, the herder organisation shall send the hard copy of the receipt to the SFA Mongolia office by post.

Guidance:

Contact details for the SFA Mongolia Office are provided in the Annex. The email address from which the Transaction Receipts are sent to the SFA, must be included on the SFA's database against the registered organisation's or member's record. More than one email address can be stored against a record.

9.4. Claims

- 9.4.1. The herder organisation must follow the CoC Pilot Claims Framework (Section 8 of these Guidelines)
 - 9.4.2. Raw fibre must only be sold as 'SFA Certified' to participants in the CoC Pilot.
-

10. Fibre Agent Requirements

Guidance:

This section outlines requirements for Fibre Agents related to collection and transport of raw fibre from Herder Organisations to First-Stage Processors or other supply chain organisations.

10.1. Raw fibre collection and transport

- 10.1.1. Bags of SFA Certified raw fibre must be collected directly from herder organisations by SFA Registered fibre agents.
- 10.1.2. Fibre agents can be independent or acting on behalf of another SFA Registered trading company or SFA Registered processing plant.
- 10.1.3. Independent fibre agents must be listed on the SFA Register.
- 10.1.4. Fibre agents can verify their registration status using their SFA Register ID cards.

Guidance:

SFA Register ID cards can be collected from the SFA Mongolia Office in Ulaanbaatar following acceptance of an application to the SFA Register. ID cards will include the Unique Register ID number of the registered individual or organisation, a photo of the fibre agent responsible for collecting the fibre from the field.

- 10.1.5. Batches of SFA Certified fibre must be transported directly to the first-stage processing plant.

Guidance:

If independent, fibre agents will be issued with a Transaction Receipt book by the SFA to record the sale of the fibre (purchased from the herder organisation) to the processing plant. If the fibre agent is acting as a representative of a processing plant, a Transaction Receipt book will not be required as the herder organisation will already have their own book.

10.2. Records

- 10.2.1. If independent, the fibre agent shall be allocated a unique identifying code (ID) by the SFA, a record of which will be kept on the SFA CoC database.
- 10.2.2. The fibre agent shall keep a copy of the SFA CoC Guidelines on their person during fibre collection.
- 10.2.3. The fibre agent shall implement a record keeping system (CoC System) to maintain complete and up-to-date records covering all aspects of the SFA CoC. If the fibre agent works for the processor, the processor is responsible for implementing the record keeping system.
- 10.2.4. Records shall be retained for at least five years and be open for checking by the SFA.

Guidance:

If the fibre agent is not independent but is a representative of a processing plant, they must use the unique identifying code of that processing plant. If fibre agents represent different companies, they will be issued with separate ID cards for each one. This ensures that we can track ownership of the SFA certified fibre along the supply chain.

10.3. Material input records

- 10.3.1. Fibre agents are responsible for checking that the product information written on the transaction receipts matches with the bags of fibre in the batch that they are buying.
- 10.3.2. Each bag of fibre must be labelled with an SFA Certified logo and a completed Bag Tag.
- 10.3.3. The fibre agent must ensure that each batch of SFA certified fibre must be accompanied by a Transaction Receipt that lists all the relevant information required for the CoC.
- 10.3.4. Each Transaction Receipt must be signed and dated by a representative of the herder organisation (i.e. the seller) and by the fibre agent (i.e. the buyer or buyer representative).
- 10.3.5. The fibre agent must keep the Yellow copy at the point of sale.
- 10.3.6. If independent, the fibre agent will be the legal owner of the fibre once it is bought from the Herder Organisation. Thus, the fibre agent will need to complete a new Transaction Receipt and fill in new bag tags to document the sale of the fibre from the fibre agent to the Processing Plant.
- 10.3.7. The fibre agent must write the Unique ID/s of the herder organisation/s that contributed fibre to that particular batch on the back of the Transaction Receipt.
- 10.3.8. All bag tags from the previous transaction (when they purchased the fibre from the herder organisations) must be removed and sent via post to the SFA Mongolia office (contact details provided in the Annex).
- 10.3.9. Each bag of fibre must have a NEW completed and securely attached Bag Tag.

Guidance:

Fibre Agents will be issued with SFA Bag Tags and Transaction Receipt booklets by the SFA. Tags must be securely attached to the top of the fibre bags using cable ties provided by the SFA. The first bag to be packed and labelled will be Bag #1, the second Bag #2 etc. There will not be two bags of the same number in a batch of fibre being sold in a single transaction.

Tags must be filled in using a pen or permanent marker (pencil is not permitted), and the information **must** be clearly legible and free of corrections or errors. If a mistake is made during completion, then a new tag must be used and the tag with incorrect or ineligible information destroyed.

The batch reference number is the same as the transaction receipt number, listed in the top right-hand corner of the transaction receipts.

- 10.3.10. The new Transaction Receipt must be signed by the fibre agent (i.e. the seller) and the buyer (i.e. the processing plant).
- 10.3.11. The fibre agent must keep the Pink copy of the Transaction Receipt for their records and provide the buyer with the Yellow copy at the point of sale.
- 10.3.12. The fibre agent must send a photo of the White copy (the top copy) of the Transaction Receipt to the SFA Mongolia office, using the email address that is listed for the fibre agent on the SFA Register.
- 10.3.13. In addition to the email, the fibre agent shall send the hard copy of the receipt to the SFA Mongolia office by post.

Guidance:

Contact details for the SFA Mongolia Office are provided in the Annex. The email address from which the Transaction Receipts are sent to the SFA, must be included on the SFA's database against the registered organisation's or member's record. More than one email address can be stored against a record.

- 10.3.14. The fibre agent must ensure that the total volume of SFA Certified fibre sold matches the total volume of SFA Certified fibre purchased.

Guidance:

Fibre agents may carry out first-stage processing on a commission basis, maintaining ownership of the fibre from the herder organisation, through to sale onto a manufacturer or brand/retailer.

10.4. Claims

- 10.4.1. Fibre agents shall follow the CoC Pilot Claims Framework (Section 8 of these Guidelines)
- 10.4.2. Fibre agents must not offer SFA Certified fibre to buyers that are not members of the SFA or listed on the SFA Register.

Guidance:

Fibre agents wishing to offer SFA Certified fibre to companies that are not official participants in the CoC Pilot must first seek the approval of the SFA.

11. First-Stage Processor Requirements

Guidance:

This section outlines requirements for first-stage processors (hereafter processors) related to the purchase of raw fibre from herder organisations or fibre agents and how to handle the certified fibre throughout the processing and manufacturing process.

Depending on the CoC Pathway, first-stage processors may sell their fibre once it has been dehaired, or they may have custody of the fibre right through to the final garment.

11.1. Documented procedures, training and responsibilities

- 11.1.1. Each batch of SFA Certified fibre must be accompanied by a completed Transaction Receipt provided by the fibre agent.
- 11.1.2. The processor shall maintain written procedures covering the requirements of the SFA CoC Pilot Guidelines.
- 11.1.3. The processor shall keep a copy of the SFA CoC Pilot Guidelines on their premises.
- 11.1.4. The processor shall define all such persons who are responsible for implementing each procedure and ensure that they have adequate training and qualifications to implement the procedure.
- 11.1.5. The processor shall appoint a management representative with overall responsibility for the implementation of the SFA CoC to be recorded using their own traceability system.
- 11.1.6. SFA Certified fibre must be kept separate from non-certified fibre during the sorting, scouring and dehairing process.
- 11.1.7. SFA Certified fibre from different herder organisations can be mixed together, unless otherwise specified by the brand/retailer who will be purchasing the fibre.
- 11.1.8. The processor shall implement a record keeping system (CoC System) to maintain complete and up-to-date records covering all aspects of the SFA CoC.
- 11.1.9. Auditable records of any staff training relating to CoC shall be kept.
- 11.1.10. Records shall be retained for at least five years and be open for checking by the SFA.

Guidance:

Onsite training and support will be provided by the SFA and partner organisations to help participating processors comply with the record keeping and training related to these CoC Guidelines.

Processors are encouraged to keep a feedback log to document any issues arising with the implementation of these Guidelines, in order to improve its development for 2021.

11.2. Material input records

- 11.2.1. The processor shall ensure that the SFA certified fibre received from their fibre agent is accompanied by a Transaction Receipt including all relevant information required for the CoC.
- 11.2.2. The processor shall ensure that each bag of SFA Certified fibre received from their fibre agent is labelled with a completed Bag Tag.
- 11.2.3. Before unpacking the fibre from the bags, the processor shall remove the physical bag tags and send them via post to the SFA Mongolia office (contact details provided in the Annex).
- 11.2.4. The processor shall ensure that the quantity of SFA certified fibre received is in compliance with the supplied documentation before it is recorded using their own traceability system.

11.3. Material output records

- 11.3.1. If the processor is selling dehaired fibre onto a buyer, they must pack the dehaired fibre into bags labelled with an SFA Certified logo.
- 11.3.2. Each bag of dehaired fibre must have a securely attached and completed Bag Tag.

Guidance:

Processors will be supplied with SFA Bag Tags and a 30cm x 30cm stencil of the SFA Certified logo and ink/spray paint in order to stamp their fibre bags.

- 11.3.3. The processor shall ensure that the batch of dehaired SFA certified fibre is accompanied by a completed Transaction Receipt that lists all the relevant information required for the CoC.
- 11.3.4. The processor must write the Unique ID/s of the herder organisation/s that contributed fibre to that particular batch on the back of the Transaction Receipt.

Guidance:

If the processor is vertically integrated, no further transactions will occur as the fibre will be manufactured and retailed by the same company. If the processor is selling fibre onto a new company, new transaction receipts will be required to document the sale/s.

If processors are selling a batch of dehaired fibre that consists of fibre purchased from multiple transactions, the processors must include all of these previous/historical transaction receipt numbers on the new transaction receipt.

- 11.3.5. If a new Transaction Receipt is required it must be signed by the seller (i.e. the processor) and the buyer.
- 11.3.6. The processor must keep the Pink copy of the Transaction Receipt for their records and provide the buyer with the Yellow copy at the point of sale.

- 11.3.7. The processor must send a photo of the White copy (the top copy) of the Transaction Receipt to the SFA Mongolia office.
- 11.3.8. In addition to the email, the processor shall send the hard copy of the receipt to the SFA Mongolia office by post.

Guidance:

Contact details for the SFA Mongolia office are provided in the Annex.

- 11.3.9. The processor shall ensure that the amount of dehaired SFA Certified fibre sold matches the amount of raw SFA Certified fibre purchased, after accounting for average conversion rates [determined by the SFA Chain of Custody Working Group].

Guidance:

For this pilot, the average conversion rate for raw to dehaired is 50%. Participants are asked to record their exact conversion rates in order to improve our estimates for future development of these CoC Guidelines.

- 11.3.10. The processor shall ensure that export of dehaired SFA Certified fibre shall abide by relevant export legislative requirements.

11.4. Claims

- 11.4.1. Processors shall follow the CoC Pilot Claims Framework (Section 8 of these Guidelines)
- 11.4.2. The processor must not offer SFA Certified fibre to buyers that are not members of the SFA. Only SFA Members are permitted to make product claims regarding SFA Certified fibre.

Guidance:

Processors wishing to offer SFA Certified fibre to companies that are not official participants in the CoC Pilot must first seek the approval of the SFA.

12. Manufacturer Requirements

Guidance:

This section outlines requirements for manufacturers related to the purchase of dehaired fibre from first-stage processors or fibre agents and how to handle the certified fibre throughout the spinning and manufacturing process. Manufacturers may retail their final garments, or they may sell the manufacture garments onto a brand for retail.

All manufacturers that participate in the pilot must provide their company's details to the SFA to be included on the CoC Pilot database. Participating manufacturers do not have to be SFA Members, however the company that retails the final garment must be a member of the SFA and must abide by the CoC Pilot Claims Framework (Section 8 of these Guidelines).

12.1. Documented procedures, training and responsibilities

- 12.1.1. The manufacturer shall appoint a designated representative/s responsible for ensuring compliance with the SFA CoC Pilot Guidelines and recording the data in their own traceability system.
- 12.1.2. The manufacturer shall maintain records related to the purchase and sale of SFA Certified cashmere or cashmere-containing products for a minimum period of two years.
- 12.1.3. Auditable records of any staff training relating to CoC shall be kept.
- 12.1.4. Any export of dehaired SFA Certified fibre shall abide by relevant Mongolian export legislative requirements
- 12.1.5. Mixing of certified and non-certified fibre is not permitted until the spinning stage, after which the exact content of certified and non-certified fibre shall be documented.
- 12.1.6. Anywhere between 33% and 100% certified content is permitted, as long as the exact content is recorded and included in the final product claim.

Guidance:

Two options are available to manufacturers for the mixing of certified and non-certified fibre:

- Producing yarn with at least 33% certified content and creating final garments using this minimum 33% certified content yarn only.
- Producing yarn with 100% certified content and mixing this with non-certified yarn, ensuring the final garment contains at least 33% of this 100% certified content yarn.

Manufacturers are free to decide which approach to use, depending on their preferred manufacturing process and individual quality requirements. The exact content of certified fibre must be recorded and included in the final product claim.

12.2. Material input records

- 12.2.1. The manufacturer shall ensure that the batch of SFA Certified fibre received from a fibre agent or first-stage processor is accompanied by a Transaction Receipt including all relevant information required for the CoC.
- 12.2.2. The manufacturer shall ensure that Unique ID/s of the herder organisation/s that contributed fibre to that particular batch are written on the back of the back of the Transaction Receipt.
- 12.2.3. The manufacturer shall ensure that each bag of SFA Certified fibre in the batch is labelled with a completed Bag Tag.
- 12.2.4. Before unpacking the fibre from the bags, the manufacturer shall take a photo of each bag tag and email the photos to the SFA office. The physical bag tags must then be sent via post to the SFA Mongolia office (contact details are provided in the Annex).
- 12.2.5. The manufacturer shall ensure that the quantity of SFA Certified fibre received is in compliance with the supplied Transaction Receipt/s before it is recorded in their own traceability system.

12.3. Material output record

- 12.3.1. If the manufacturer is selling semi-processed or finished products containing SFA Certified fibre to a new buyer, the products must be packed into bags and each bag labelled with a completed Bag Tag.

Guidance:

All participating manufacturers will be issued a Unique ID number for the purpose of the CoC Pilot (to be listed on the SFA CoC database).

- 12.3.2. The manufacturer shall ensure that each batch of semi-processed or finished products containing SFA certified fibre is accompanied by a completed Transaction Receipt that lists all of the relevant information required for the CoC.
- 12.3.3. The manufacturer shall ensure that Unique ID/s of the herder organisation/s that contributed fibre to that particular batch are written on the back of the back of the new Transaction Receipt.

Guidance:

Manufactures do not have to state the colour of the cashmere products on the Bag Tag/s or Transaction Receipt/s.

- 12.3.4. If a new Transaction Receipt is required it must be signed by the manufacturer (i.e. the seller) and the buyer.

- 12.3.5. The manufacturer must keep the Pink copy of the Transaction Receipt for their records and provide the buyer with the Yellow copy at the point of sale.
- 12.3.6. The manufacturer must send a photo of the White copy (the top copy) of the Transaction Receipt to the SFA Mongolia office.
- 12.3.7. In addition to the email, the manufacturer shall send the hard copy of the receipt to the SFA Mongolia office by post.

Guidance:

Contact details for the SFA Mongolia office are provided in the Annex.

- 12.3.8. The manufacturer shall ensure that the quantity of SFA Certified fibre sold matches the amount of SFA Certified fibre purchased, taking into account average conversion rates.

Guidance:

For this pilot, manufacturers are asked to record their exact conversion rates for each production stage, in order to improve our estimates for future development of these CoC Guidelines.

12.4. Claims

- 12.4.1. Manufacturers shall follow the CoC Pilot Claims Framework (Section 8 of these Guidelines)
- 12.4.2. The claims about, and actual physical volumes of Certified cashmere-containing products sold by manufacturers must match the volume of SFA Certified cashmere-containing products purchased.
- 12.4.3. Manufacturers that wish to offer SFA Certified fibre to brands/retailers that are not members of the SFA must inform those companies that SFA Membership is required in order to make product claims regarding SFA Certified fibre.

Guidance:

Manufacturers wishing to offer SFA Certified fibre to brands/retailers that are not SFA Members must first inform the SFA.

13.Brands/Retailer Requirements

Guidance:

This section outlines requirements for brands related to the purchase and retail of SFA certified cashmere products what product claims are allowed. Brands may or may not have been involved in the earlier processing and manufacturing of the finished product.

All brands/retailers making product claims regarding SFA Certified cashmere must be existing members of the SFA and must abide by the CoC Pilot Claims Framework (Section 8 of these Guidelines)

13.1. Documented procedures, training and responsibilities

- 13.1.1. The brand/retailer shall appoint a designated representative/s responsible for ensuring compliance with the SFA CoC Pilot Guidelines and recording the data in their own traceability system.
- 13.1.2. The brand/retailer shall maintain records related to the purchase and sale of SFA Certified cashmere or cashmere-containing products for a minimum period of two years.
- 13.1.3. Auditable records of any staff training relating to CoC shall be kept.

Guidance:

All participating brands/retailers will be issued a Unique ID number for the purpose of the CoC Pilot (to be listed on the SFA CoC database).

13.2. Material input records

- 13.2.1. The brand/retailer shall ensure that the SFA Certified cashmere-containing products received are accompanied by a Transaction Receipt including all relevant information required for the CoC.
- 13.2.2. The brand/retailer shall ensure that the Unique IDs of the herder organisations that contributed fibre to that particular batch are listed on the back of the Transaction Receipt.
- 13.2.3. The brand/retailer shall ensure that each bag of SFA Certified fibre received is labelled with a completed Bag Tag.
- 13.2.4. Before unpacking the cashmere-containing products from the bags, the brand/retailer shall take a photo of each bag tag and email the photos to the SFA office. The physical bag tags must then be sent via post to the SFA Mongolia office (contact details are provided in the Annex).

13.3. Material output records

- 13.3.1. The brand/retailer must ensure that each product containing SFA Certified cashmere is labelled appropriately, with the hang tag stating the correct percentage of certified fibre.

- 13.3.2. The brand/retailer must keep a record of all products sold that contain SFA certified fibre, along with the percentage of certified fibre in each product.
- 13.3.3. The brand/retailer must ensure that the volume of certified fibre sold matches the volume of certified fibre that was purchased.

Guidance:

At this stage we will not require Transaction Certificates for the final sale of each cashmere-containing product. Instead, the SFA will rely on stock records provided by the brand/retailer to conduct a volume reconciliation check of purchased vs sold certified fibre.

13.4. Product claims

- 13.4.1. Brands/retailers shall follow the CoC Pilot Claims Framework (Section 8 of these Guidelines).
- 13.4.2. Each product containing SFA Certified fibre must have a hang tag with the SFA Certified logo.
- 13.4.3. The product claim must contain the exact content of SFA Certified fibre, or a statement of 'at least X%', as stated in the CoC Pilot Claims Framework.

Guidance:

The SFA will provide a mock-up design to use on hang tag for brands/retailers for finished products containing SFA Certified fibre.

- 13.4.4. The claims about, and actual physical volumes of Certified cashmere-containing products sold by brands/retailers must match the volume of SFA Certified cashmere-containing products purchased.

14. Glossary

Animal Husbandry Code of Practice	Shortened name for the Animal Husbandry and Cashmere Fibre Harvesting Code of Practice
Audit	A means to verify compliance with a standard. It can involve visual inspection, interviews and/or document reviews.
Auditor	A person that examines and evaluates compliance with a standard.
Blend	A combination of certified and non-certified product.
Brand/retailer	Organisations that controls the design, development, and purchase of products for sale under their own name, AND retail their products directly to consumers.
Certification	The provision by a quality assurance process of written assurance (a certificate) that the product, service system in question meets specific requirements.
Chain of Custody (CoC)	A system to document and verify the path taken by a defined input material through all stages of transfer and production, to the final product. The CoC preserves the identity of the input material.
Claim	An oral, written, implied, representation, statement, advertising or other form of communication that is presented to the public or buyer that relates to the presence of a Claimed Material in the content of a product.
Claimed Material	The specific material that is being verified by the CoC as a content claim in a final product.
Inputs	All substances and materials used in the production of the CoC Product.
First-stage Processor	Entity engaged in the scouring (washing) and/or dehairing of cashmere fibre
Organisation	Entity being certified to the CoC; involved in the manufacturing, handling, trading and processing of CoC Products. Organizations take legal ownership of CoC Products
Producer	Entity responsible for the production of inputs into the manufacturing process.
Products	The physical goods that result from each stage of production. These can include finished or unfinished goods.
Manufacturer	Entity engaged in the process of manufacturing final products
Member	An individual or organisation that pays an annual subscription to the Sustainable Fibre Alliance and in return for member benefits agrees to abide by the terms and conditions of membership
Records	The information in written, visual, or electronic form that documents the activities undertaken by a user to demonstrate accordance with requirements.
SFA Certified Herding Organisation	A registered herder organisation that has been independently verified as meeting the minimum requirements of the Rangeland Stewardship and Animal Husbandry Codes of Practice.
SFA Certified Product	Goods in process or finished products that have been certified to the CoC. SFA Certified Products can also be referred to as CoC Products, CoC inputs and CoC outputs.
SFA Register	A database of herder organisations and first-stage processors that are registered with the SFA. Registration represents a commitment to be assessed against one or more of the SFA Codes of Practice. SFA Registered Processors can also be SFA Members, although this is not required. SFA Registered Herders cannot be SFA Members.

Standard	A standard is a set of defined requirements that shall be attained to be awarded Certification.
Supply Chain	The progression of business entities involved in the supply and purchase of materials, goods or services from raw materials to the final product.
Fibre Agent	Entity involved in the buying and selling (but not processing) of product in the supply chain between the original Claimed Material source and the retail merchant of the final product, regardless of whether the goods are physically received (e.g. import, export or wholesale trading entities, or Brand distribution centres selling to other retailers). Agents may or may not take ownership of the goods.
Transaction Certificate (TC)	A document issued by the Certification Body that verifies that the goods being shipped from one Organization to the next conform to a given standard.
Transaction Receipt	A record of a sale, including a detailed product description and identifying codes for the seller and buyer. For the 2020 CoC Pilot, receipts will be provided to participating herder organisations, fibre agents, processors and manufacturers/brands/retailers in the form of triplicate booklets (3-page receipt books).
Verification	The confirmation, through the provision of evidence, that specified requirements have been fulfilled.
Volume Reconciliation Calculation	At each point along the supply chain the records shall demonstrate the balance between the inputs and the outputs containing the declared final amount of Claimed Material. The SFA will review Transaction Certificates as well as shipping invoices to verify that the amounts being claimed are accurate. Can also be referred to as “mass balance”.

Acronyms

CoC	Chain of Custody
SFA	The Sustainable Fibre Alliance
TC	Transaction Certificate

15. Annex

15.1. SFA Mongolia Contact Details

English	Mongolian
The Sustainable Fibre Alliance Room #32, 2nd floor, Grand Office Olympic Street, Ulaanbaatar, Mongolia Tel: +976-70115559 email: admin@sustainablefibre.org	Монгол улс, Улаанбаатар хот Сүхбаатар дүүрэг, 1-р хороо Олимпийн гудамж Гранд оффис, 23 тоот и-мэйл: admin@sustainablefibre.org

15.2. SFA Certified logo



Figure 5 The SFA Certified Logo for use on products containing at least 33% SFA Certified Fibre

15.5. Transaction Certificate



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"/> Dehaired <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	
	 <p>Тогтвортой ноос ноолуурын ЭВСЭЛ <i>Ноолуурын өртгийн сүлжээний тогтвортой байдлыг хөгжүүлэхийн төлөө</i></p>	
DATE ISSUED	CHECKED AND ISSUED BY: (name and role)	CHECKED AND ISSUED BY: (signature)



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For more information, please visit <http://sustainablefibre.org>

or contact info@sustainablefibre.org