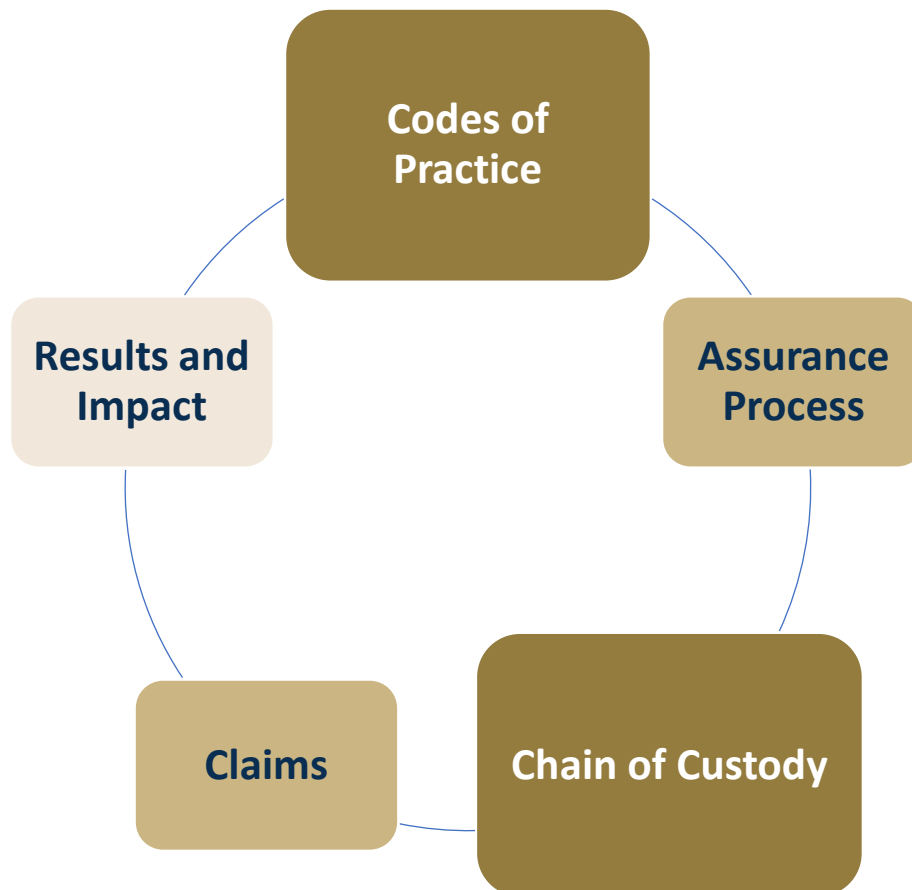




# The Sustainable Cashmere Standard Scheme Overview

## The Sustainable Cashmere Standard

The SFA’s Sustainable Cashmere Standard consists of three Voluntary Standards and a Chain of Custody programme that work together to achieve the SFA’s goals to improve social and environmental performance in the production of cashmere.



## Codes of Practice

The Sustainable Cashmere Standard currently includes three codes of practice, Animal Husbandry and Cashmere Fibre Harvesting and Rangeland Stewardship which are aimed at producers, and Clean Fibre Processing aimed at primary processors. These Codes of Practice (CoPs) have been developed specifically for the Mongolian context; however, they have been designed in a way that allows them to be adapted for China and other cashmere-producing regions. SFA CoPs set out the requirements to be met by producer organisations<sup>1</sup> and processing plants<sup>2</sup> seeking scope certification against the relevant elements of the Sustainable Cashmere Standard (SCS) and the criteria by which compliance and performance will be assessed.

<sup>1</sup> Producer organisations include formal, government-recognised entities such as herder cooperatives and NGOs, as well as informal entities such as community-based rangeland management groups and pasture user groups.

<sup>2</sup> Those involved with first-stage processing – the washing and dehairing of raw (greasy) cashmere fibre.

## **Animal Husbandry and Cashmere Fibre Harvesting Code of Practice**

Animal Husbandry and Cashmere Fibre Harvesting Code of Practice is founded on the five freedoms of animal welfare:

- Freedom from hunger, thirst and malnutrition
- Freedom from discomfort
- Freedom from pain, injury and disease
- Freedom to express normal patterns of behaviour
- Freedom from fear and distress.

The CoP consists of requirements relating to food and water, living environment, health, herd management, kidding and kid management, combing and shearing, handling and transport, euthanasia and slaughter and risk management plans.

## **The Rangeland Stewardship Code of Practice**

The Rangeland Stewardship Code of Practice promotes collective action by producers in order to improve rangeland condition and conserve native wildlife. The CoP requires that producers demonstrate their performance of good practice in adaptive management, indicated by preparation and implementation of a rangeland management plan. Producers must demonstrate continual improvement in assessment of rangeland resources, along with the monitoring and evaluation of both plan implementation and outcomes for these resources. The goal is for producer organisations to adopt active and adaptive stewardship practices that are appropriate to their own ecological, social and economic situation and are most likely to improve the condition of their rangeland resources and their own livelihoods.

## **The Clean Fibre Processing Code of Practice**

The Clean Fibre Processing Code of Practice is targeted at first-stage processing plants of cashmere fibre (i.e., scouring and dehairing) and promotes collective action in relation to sustainable fibre processing and ethical business practices. The CoP has been designed with four pathways based around the primary processing functions of sorting, scouring, dehairing and sampling. The CoP is made up of Core Units which are Mandatory for all processors and Optional Units, of which the processor must choose at least one. The pathways and their indicative units will be detailed on the Certificate of Compliance which will inform the Scope Certificate.

Many brands, retailers and manufactures now require commitment from their supply chain regarding efforts to combat climate change, efficient use of water and energy, elimination of harmful chemicals and ensuring respectful, secure working environments. Compliance with the Clean Fibre Processing CoP provides this verification and demonstrates sustainable practices to fibre buyers.

## **Assurance Process**

### **Self-Assessment**

The producer or processor must complete a self-assessment against the requirements of the certificate scope. The purpose of the self-assessment is for the producer or processor to understand their strengths and weaknesses and develop an Improvement Plan to identify how and when they intend to meet the minimum requirements before applying for an on-site evaluation.

### **Evaluation**

This Improvement Plan is scrutinised, before an on-site evaluation is conducted by the Conformity Assessment Body (CAB) which has accredited by the SFA to carry out assessment and certification on its behalf. If the producer or processor is successful in demonstrating compliance with the scheme requirements, they will be issued with a Certificate of Compliance at the relevant level.

Where a group of producers is being evaluated, less than 20% of the sample can fail to comply with the requirements for a certificate to be issued. Those that do fail to comply with the requirements, must be included in the sample at the next evaluation or surveillance and must have closed all non-compliance before the next evaluation or surveillance takes place.

For producers and processors to take part in the Chain of Custody programme, in order to meet the requirements to be issued with a Scope Certificate, they must hold a current Certificate of Compliance for the respective Code(s) of Practice.

### Surveillance

Following successful certification, the producer or processor will be subject to annual surveillance monitoring to ensure that the producer or processor continues to improve by complying with at least one additional indicator each year, and that the Certificate of Compliance remains valid or that a higher certificate can be issued.

### Awarding Criteria

Our Assurance Mechanism ensures that our process for accrediting producer organisations (producers and processors) against the SFA Cashmere Standard is credible. Our assurance process is a staged process designed to encourage continuous improvement.

### Traffic lights

A 'traffic light' system is used to assess the level of compliance of a producer organisation or processor with the Code of Practice requirements and is intended to incentivize continual improvement in compliance:

- **Green** - fully compliant
- **Orange** - partly compliant but needing improvement
- **Red** - not sufficient to comply with the Code's requirements.

### Indicators

Each Code of Practice is made up of Core Indicators and Improvement Indicators.

- **Core indicators** – a predefined set of criteria which identify the minimum requirements an organisation is required to comply with, and are identified as such if the instruction within the indicator is 'must'
- **Improvement indicators** – a set of criteria developed in addition to the core indicators, that an organisation is required to show progress towards over time in order to demonstrate commitment to accomplishing best practice. They are identified as such if the instruction within the indicator is 'should'.

**IMPORTANT:** All core indicators are mandatory and must all be achieved at 'Green' level before any certification will be considered.

### Bronze, Silver and Gold Awards



The Awarding Criteria for each Code of Practice are:

- **Bronze Award** – 100% of Core Indicators achieved at 'Green' level
- **Silver Award** - 100% of Core Indicators plus a between 50 -94% of Improvement Indicators achieved at 'Green' level
- **Gold Award** – 100% of Core Indicators plus 95% or more Improvement Indicators achieved at 'Green' level.

## Chain of Custody

The Chain of Custody has been developed to trace the 'SFA Certified' fibre (produced and processed by SCS scope certified producers and processors) through the supply chain to brands and retailers.

All actors in the supply chain that wish to sell or make claims relating to 'SFA Certified Fibre' must apply to a CAB to be audited and issued with a Scope Certificate.

Chain of Custody participants must register with the SFA, at which time they will be issued with an SFA Registration number and information on how to log fibre transactions online using Transaction Receipts. These transactions will be audited by the CABs to ensure that information contained within the original transaction receipt tally with the 'SFA Certified' fibre inputs and outputs (the amount of 'SFA Certified' fibre/products containing 'SFA Certified' fibre purchased versus the amount of 'SFA Certified' fibre/products containing 'SFA Certified' fibre sold). Where there is sufficient evidence, a Transaction Certificate will be produced and issued to the buyer as evidence for when they are ready to either sell the fibre/ products containing the fibre or make a claim about the amount of 'SFA Certified' fibre is within the end product.

## Claims

The claims framework outlines the statements and claims that our members and users of the SCS are permitted to make. The types of claims that can be made are classified as:

- Membership-based claims
- General marketing claims
- Product-specific claims.

## Results and Impacts

Relative to outcome indicators, monitoring changes at impact level require assessment over a longer timescale. The SFA are currently developing the impact monitoring element of our Results Reporting Framework. Examples of potential impact indicators that are being considered are presented below:

### **Impact 1: Rangeland resources are conserved**

- 1.1 Vegetation index
- 1.2 Rangeland degradation index
- 1.3 Herder traditional knowledge
- 1.4 Wildlife monitoring assessments.

### **Impact 2: Herder resilience is increased.**

- 2.1 Adaptive capacity e.g., social capital, trust, access to information, knowledge networks, leadership
- 2.2 Livelihood security e.g., income, household assets, livestock number
- 2.3 Well-being e.g., life satisfaction surveys.

### **Impact 3: Animal welfare is improved.**

- 3.1 Average goat survival rate
- 3.2 Level of 'twinning' (indicator of good maternal health).

In addition to our own monitoring programme, the SFA will commission external impact evaluations to provide independent judgements on the efficiency, effectiveness or relevance of SFA's activities in the cashmere supply chain. These evaluations will be carried out over a multi-year period, requiring baseline surveys and comparisons with control groups. Our impact monitoring plan will be developed in 2020 and will outline our intended indicators, data collection methods and timeframe for our external impact evaluations.

Our [Theory of Change](#) takes into account the key outputs and outcomes of our Strategic Plan and describes our pathway to our vision of sustainable cashmere sector.