



07 July 2023

# STATEMENT OF INTENT

CHAIN OF CUSTODY STANDARD

SUSTAINABLE FIBRE ALLIANCE





## WHY A NEW STANDARD?

This section outlines why we think it is important for us to consider creating our own Standard.

### Future proofing

A key aim of this review is to create a Chain of Custody (CoC) system that is future-proof. Not just in terms of creating a Standard that can be used for any type of animal fibre that might fall within the SFA's scope within the future, but also one that is fit for purpose in any jurisdiction across the world.

Creating our own CoC Standard will give the agility needed to respond to change, such as legislation (e.g. EU Green Claims Directive).

We also want to give businesses confidence that the sale of 'SFA Certified' cashmere will remain credible in the face of change, and provide assurance to customers and NGOs that the way 'SFA Certified' cashmere is traded can evolve with their expectations.

### Better use of data

A secondary aim of this review is to make better use of data. We plan to create a system that standardises record keeping and generates big data in a useable way, such as in allowing traceability claims to be made credibly.

We want to create a safe and secure system that:

- paves the way for full traceability, once additional digital systems outside of the scope of this work are in place
- generates, archives and makes available data that allows us all to eliminate fraud and learn from our successes and mistakes
- allows sellers to make transparent, precise and compelling claims
- supports a growing and resilient supply chain where buyers and sellers can find each other rapidly



# IN PURSUIT OF 'TRACEABILITY'

'Full traceability' means being able to track end products back to their original source through the entire supply chain. The benefits of traceability include, among others, the elimination of counterfeiting, real time asset tracking and enhanced credibility, adding up to improved retention and attraction of new customers ([Razak et al. 2021](#)). Implementing full traceability and unlocking the benefits that come with it is an explicit aim of the SFA 2030 strategy.

## What is being considered?

We want to create a CoC Standard that sets the ground rules for full traceability, once additional digital systems outside of the scope of this work are in place. This requires a CoC Standard with the below features. Note that no decisions on this will be made until after transparent and inclusive discussions with stakeholders.

### From producer to retailer

We are considering a CoC system that covers everyone in the supply chain, from producers to retailers irrespective of where they are located in the world.

### Mixed identity preserved

Our CoC Standard would require that certified cashmere is kept physically separate from non-certified cashmere through each stage of the supply chain. Mixing with other cashmere certified to the same Standard or another standard with which the SFA recognises equivalence would still be allowed, but the weights from different sources would be tracked to allow for full traceability. The current [SFA CoC Guidelines](#) already require full segregation from 1 July 2024.

### Greater consistency in setting conversion rates

Conversion rates define the expected weight loss of product during processing, which means they have implications for monitoring volumes. We will take technical advice on whether we should be setting standardised conversion rates and where the burden of proof should lie in deviating from the standard.





## FAQS

### Not another audit for another Standard

One of the reasons we are doing this review is to address the complexity and fatigue that comes with juggling the SFA CoC with the Textile Exchange CCS, depending on where the applicant is in the supply chain and the world. To reduce assessment fatigue and avoid creating duplicate systems we would seek mutual recognition with other similar standards.

### How long would we have to prepare?

SFA members and scope certificate holders will be given enough time to adjust how they manage and handle 'SFA Certified' cashmere and clear any existing stock from their supply chain that doesn't meet the new requirements, if any. You will have a chance to give feedback on any proposed timelines.

### What isn't changing?

The Standard will continue to rely on a third-party assurance scheme delivered by accredited Conformity Assessment Bodies (CABs). There will be a strong focus on eliminating fraud and counterfeiting, providing credibility and confidence to consumers and non-governmental organisations. We will continue to provide consistent and predictable outcomes for applicants.

We will still be implementing a volume-based fee system.



# FORWARD PLAN

## Development

### Public consultation

We seek fairness and inclusiveness through consultation. Before the end of 2023 we will open a 60-day window for all stakeholders to provide feedback and be heard. In this we aim to secure strategic insight, build consensus and earn credibility. We will seek input from CABs to ensure that any new Standard is credible/works in practice.

### Publication

We aim to complete this review by June 2024. On or soon after this date stakeholders can expect any new Standard with all supporting guidance, summaries and training materials, updated Claims guidance and a document that outlines the feedback we received from stakeholders and how it was taken in to account. Translations of key documents from English will follow.

## Contact and comments

We welcome and encourage feedback at all stages of this process. Please send any questions/comments you have regarding this plan to [standards@sustainablefibre.org](mailto:standards@sustainablefibre.org), noting that all feedback will be anonymised and published online.

