



19 July 2023

Chain of Custody Guidelines

(version 3.1)



Amendment record

SUSTAINABLE FIBRE ALLIANCE

This document is reviewed annually to ensure its continuing relevance to the systems and processes that it describes.

Page No.	Context	Revision	Date
Version 3.0	Developed to combine Mongolia and China Guidelines documents into one document.	Inclusion of Glossary of Terms Update to include 100% 'SFA Certified' cashmere content required for claims. Update to include when compliance with new SFA Cashmere standard comes into effect. Clarification of requirements versus guidance. Removal of duplication. Hyperlinks to reference documents.	19/06/2023
Version 3.1	Clarifications, accounting for feedback, incorporating brand guidelines and errata.	Additional guidance added on blending timelines. Updated Claims Guide to focus on process and definitions, moving any rules to this document under 4.1 Claims Guidelines. Errata and other clarifications.	19/07/2023

Glossary of terms

Term	Definition
Batch	A quantity of processed or manufactured fibre or fibre product output which may have been produced using one or more input sources.
Brand/retailer	Entity that produces and/or sells final products to a consumer.
Certification	The provision of written assurance (a certificate) by a formal process that a product or service system 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 'SFA Certified' fibre in the content of a product.
Conformity Assessment Body (CAB)	An organisation whose competence in carrying out conformity assessment activities has been endorsed by an Accreditation Body that is a signatory of the International Accreditation Forum's (ILAC) Multilateral Agreement (MLA).
Content Claims Standard (CCS)	A chain of custody standard, developed and owned by Textile Exchange, that gives companies a means of verifying that one or more raw material inputs are in the final product.
Consumer	A person or group who purchases goods and services for personal use.
Fibre	Refers specifically to cashmere fibre unless otherwise stated.
Primary Processor	Processing facilities that are involved in the first-stage ('primary') processing of cashmere, specifically the sorting, scouring and/or dehairing of raw fibre.
Producers	Entities producing and harvesting cashmere fibre.
Manufacturer	Entities engaged in the process of manufacturing final products.
Scope Certificates (SC)	Scope Certificates (SC) are documents issued to companies that have demonstrated the ability to comply with the relevant standard requirements by an approved conformity assessment body. Scope Certificate holders are eligible to process and sell 'SFA Certified' fibre.
'SFA Certified' fibre	Fibre that has been produced and/or processed in compliance with the SFA Cashmere Standard and/or SFA Clean Fibre Processing Standard and whose chain of custody has been verified by the SFA Chain of Custody and/or Textile Exchange Content Claims Standard.
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.
Transaction Receipt (TR)	A document issued by the seller of a product to the buyer providing exact details of the product being sold (date of transaction, colour, weight, state etc.) and the contact details of the buyer and seller of the material.



Term	Definition
Transaction Certificate (TC)	A document issued by an approved conformity assessment body to verify products being sold or shipped from one organisation to another conform to a given standard and may be treated as 'SFA Certified' fibre by the receiver.
Volume Reconciliation Calculation	The process where the balance between the inputs and the outputs contained within 'SFA Certified' fibre is monitored, to consider conversion rates (product minus waste) at each stage of the supply chain.

CONTENT

CONTENT	5
1. INTRODUCTION	6
1.1. Chain of Custody Guidelines	6
2. SCOPE	7
2.1. Scope of SFA Chain of Custody	7
3. CHAIN OF CUSTODY	9
3.1. Transaction requirements	9
3.2. Requirements for SFA CoC Management	11
4 CLAIMS	12
4.1 Claims Guidelines	12
5 FURTHER INFORMATION	14
ANNEX –	15
TRANSACTION RECEIPTS	15

1. INTRODUCTION

1.1. Chain of Custody Guidelines

Chain of custody systems are about recording and following the trail that certified products take along the supply chain. The SFA's Chain of Custody (SFA CoC) Guidelines outline the set of requirements for companies along the cashmere supply chain who are participating in the SFA's CoC and who will be buying or selling 'SFA Certified' fibre or products.

The SFA CoC uses CoC tracking software along with our existing paper-based system which consists of Transaction Receipts and Transaction Certificates. This tracking system can be used alongside participating companies' own traceability systems to keep accurate records of fibre handling in line with these Guidelines.

The SFA is on a pathway to adopting a 100% 'SFA Certified' fibre content model by 1st July 2024. This model maintains physical segregation of certified product from non-certified product through each stage of the supply chain to the final product. Mixing of 'SFA Certified' fibre with non-certified cashmere is not allowed. This type of CoC model ensures 100% of the cashmere used in the end-product is 'SFA Certified', which allows specific end-use claims to be made.

If blended with other non-cashmere fibres, the minimum content of 'SFA Certified' cashmere in the final product must be at least 5%.

'SFA Certified' fibre CANNOT be blended with non-certified cashmere fibre from 1st July 2023.

'SFA Certified' cashmere must be 100% of the total cashmere content of the final product by 1st July 2024.



2. SCOPE

2.1. Scope of SFA Chain of Custody

The CoC system for 'SFA Certified' fibre is done through the SFA Chain of Custody (SFA CoC) or the Textile Exchange Content Claim Standard (CCS) depending on the entity (Figure 1).

The SFA CoC covers all transactions of raw cashmere fibre taking place in China or Mongolia, or of dehaired cashmere fibre in Mongolia to be exported for further processing. The SFA CoC also covers fibre collected from the field and transported to primary processors for scouring and dehairing by independent fibre agents or those employed directly by the processor. Further manufacturing of the fibre products taking place in Mongolia is also covered by the SFA CoC.

The Content Claims Standard (CCS) covers all other transactions including any manufacturing process (from spinning to final product) that takes place outside of Mongolia. Companies outside of Mongolia within the scope of CCS are required to be compliant with the CCS for 'SFA Certified' cashmere and have valid Scope Certificates (SC). This enables the SFA to follow certified cashmere along the supply chain outside of Mongolia. Any queries about CCS scope certificates and/or transaction certificates should be directed to the CCS certification body.

 *Note that the full requirements of the Content Claims Standard and how to get certified can be found [here](#).*

- 2.1.1 All producers, primary processors and manufacturers in the SFA CoC shall be registered with the SFA via completion of the [Chain of Custody Registration Form](#).
- 2.1.2 All primary processors and manufacturers in the SFA CoC shall have paid the CoC participation fee.
- 2.1.3 All companies in the SFA CoC shall be compliant with all legislation and regulations within the jurisdictions that they operate.
- 2.1.4 All producers in the SFA CoC shall be certified against the [SFA Cashmere Standard](#) (or one of its predecessors if before 31 December 2023).
- 2.1.5 All primary processors in the SFA CoC shall be certified against the [SFA Clean Fibre Processing Standard](#).


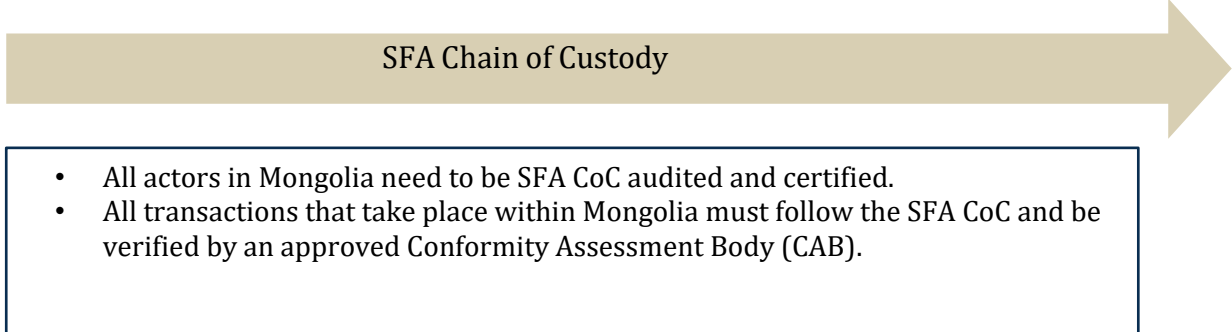
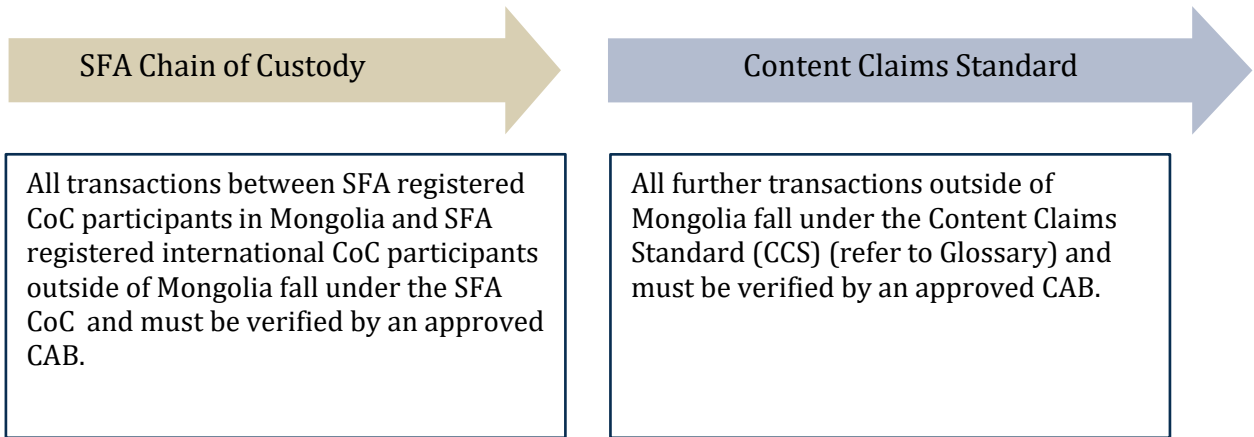
 *Fibre is only 'SFA Certified' when the seller is compliant with the requirements of all relevant Standards and/or Codes of Practice. Note that all parties are responsible for covering their own auditing costs.*

Figure 1: Chain of Custody system for ‘SFA Certified’ fibre

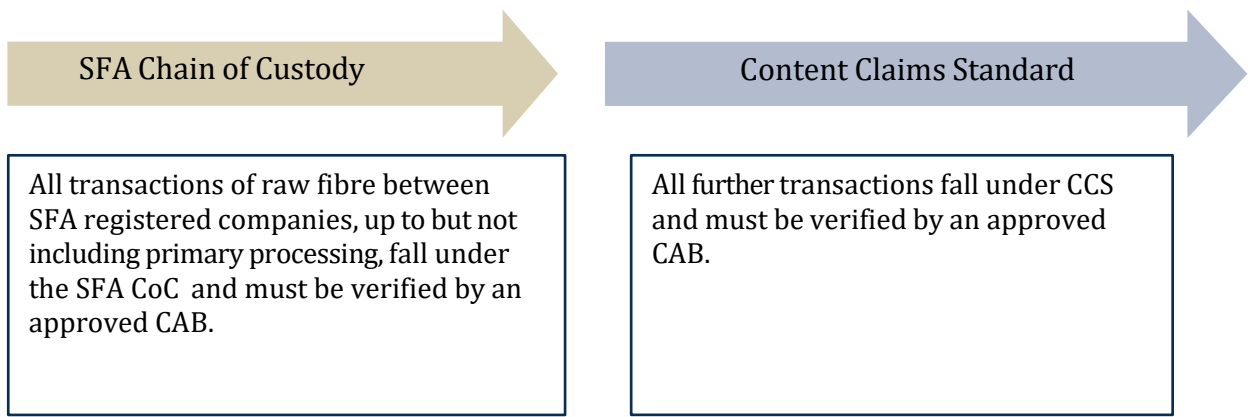
Companies in Mongolia



Mongolian dehaired fibre sourced for export



Fibre sourced from China



3. CHAIN OF CUSTODY

This section outlines requirements for companies in the cashmere supply chain looking to trade 'SFA Certified' fibre or fibre products. It includes requirements for how to handle and trade certified fibre throughout the SFA Chain of Custody and requirements for the CoC Management System that SFA CoC participants must have in place.

3.1. Transaction requirements

- 3.1.1 The company shall only purchase 'SFA Certified' fibre from entities that hold a valid Scope Certificate or are SFA members.
- 3.1.2 The company shall not sell dehaired 'SFA Certified' fibre on the open market without written permission from the SFA.
- 3.1.3 The company shall ensure that 'SFA Certified' fibre is kept separate from non-certified cashmere fibre (unless already blended before 1 July 2023) during the processing and manufacturing stages.
- 3.1.4 The company shall not sell products as 'SFA Certified' unless 33% of the cashmere in the product is 'SFA Certified' fibre.



Note this requirement is made obsolete by 3.1.6 from 1 July 2024.

- 3.1.5 The company shall not blend 'SFA Certified' fibre with non-certified fibre after 1 July 2023.



Existing fibre where at least 33% of the cashmere in the product is 'SFA Certified' fibre can still be blended with other existing fibre where at least 33% of the cashmere in the product is 'SFA Certified'. The percentage of 'SFA Certified' in the blended product must be equal to or greater than the lowest percentage in all of the source products. Note that 'SFA Certified' fibre from different producers can be blended.




This applies to all stages of the supply chain and manufacturing/processing process.

- 3.1.6 From 1 July 2024, the company shall not sell products as 'SFA Certified' unless 100% of the cashmere in the product is 'SFA Certified' fibre.
- 3.1.7 The company shall ensure that any sale of 'SFA Certified' fibre is accompanied by a Transaction Receipt (TR) in the form of physical triplicates using the books provided to producers, fibre agents and primary processors, or using an electronic TR provided to CoC participants upon registration, as shown in the examples provided in the [Annex](#) to this document.
 - 3.1.7.1 The company shall ensure that the physical quantity (accounting for conversion rates) of 'SFA Certified' fibre outputs sold is verified against the quantities recorded on the Transaction Receipt(s) of the inputs of 'SFA Certified' fibre or fibre products purchased.




Transaction Receipts are required every time fibre or fibre product is sold.


- 3.1.7.1.1 The company shall ensure that 3.1.7.1 is done before the transaction is recorded in any system including their own.
- 3.1.7.1.2 The company shall ensure that the Unique ID(s) of all suppliers that contributed fibre to a batch of 'SFA Certified' fibre or fibre products is written on the reverse of the Transaction Receipt at the point of sale.
- 3.1.8 The company shall not sell batches of fibre as 'SFA Certified' without proof of 'SFA Certified' inputs as demonstrated by one or more Transaction Certificates issued for that batch of fibre.
 - 3.1.8.1 In order to get a Transaction Certificate, the company (buyer) shall enter each transaction along with a valid Transaction Receipt into the SFA Salesforce online register using the appropriate SFA Transaction Certificate request form (see [section 5](#)) along with the scanned copy/ies of the corresponding receipt(s).

 *Note that CCS certified entities are expected to submit Transaction Receipts as per 3.1.8.1 alongside any CCS record keeping requirements.*


- 3.1.8.1.1 The company shall upload a photograph or PDF of both the front and back of the original handwritten Transaction Receipt when submitting an electronic Transaction Receipt through the SFA CoC tracking software.
- 3.1.9 The CAB shall not issue Transaction Certificates without volume reconciliation, i.e. without verifying that inputs reconcile with outputs, accounting for conversion rates throughout the fibre processing cycle. For example, after raw fibre is scoured and dehaired, the weight of the waste (e.g., guard hair, grease and dirt) will be deducted from the raw fibre weight, meaning the clean fibre will weigh less.

 *It is estimated that the average conversion rate for raw to dehaired is 50%. Participants are expected to record their exact conversion rates and share these with the SFA to improve our estimates for future development of these CoC Guidelines.*

- 3.1.9.1 The CAB shall verify that the details on the TC shall match those of the TR, 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'.*

- 3.1.10 The CAB shall not issue Transaction Certificates to any company for the sale of blended cashmere fibre or products containing blended cashmere fibre ('SFA Certified' cashmere fibre blended with non-certified cashmere fibre) from 1st July 2024.

 *'SFA Certified' cashmere fibre may be blended with other natural fibres that are not required to be certified.*

3.2. Requirements for SFA CoC Management


- 3.2.1 The company shall maintain written procedures covering the requirements of the SFA CoC Guidelines.
- 3.2.2 The company shall keep a copy of the SFA CoC Guidelines (i.e. this document) on their premises.
- 3.2.3 The company 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(s).
- 3.2.4 The company shall implement a record keeping system to maintain complete and up-to-date records covering all aspects of the SFA CoC.
 - 3.2.4.1 The company shall keep their own records to document the handling of 'SFA Certified' cashmere.
- 3.2.5 The company shall appoint a management representative with overall responsibility for the implementation of the SFA CoC to be recorded using their own system.
- 3.2.6 The company shall keep and maintain auditable records of any staff training relating to CoC for at least five years.
- 3.2.7 The company shall make all records related to the SFA CoC available for checking by the SFA or the CAB upon request.

4 CLAIMS

Companies that can demonstrate their use of responsibly produced cashmere through compliance with the SFA CoC or CCS can use the 'SFA Certified' Logo on their products, as per the following requirements.



4.1 Claims Guidelines

- 4.1.1 The SFA will not allow general claims or claims that a product for sale is 'SFA Certified' without written approval from the SFA before claims are made. The company can send [claims approval requests](mailto:claims@sustainablefibre.org) showing proposed text, artwork & TC numbers to claims@sustainablefibre.org.
- 4.1.1.1 Manufacturers using 'Supplied General Claims' and/or 'Supplied Product Claims' (as defined by the [SFA Claims Guidance](#)) do not need approval from the SFA.
- 4.1.2 The SFA will not allow claims that fibre for sale is 'SFA Certified' by any company that is not registered with the SFA or an SFA member.
- 4.1.2.1 SFA membership is not required from retailers that are selling 'SFA Certified' products on behalf of an SFA brand member.
- 4.1.3 The SFA will not allow claims that a final product for sale is 'SFA Certified' without a hang tag attached (or equivalent) which includes the 'SFA Certified' Logo, unless otherwise agreed with the SFA.
- 4.1.3.1 A sewn-in label may say 'SFA Certified' without including the logo.
- 4.1.3.2 When the 'SFA Certified' logo is unable to appear adjacent to the product claim, such as in an online catalogue image, a text only claim may be made as long as the logo appears elsewhere on the product, hangtag, product listing, or another webpage.
- 4.1.4 The SFA will not allow claims that a product for sale is 'SFA Certified' unless the seller proves that the volume of products for sale (outputs) matches the volume (inputs) of 'SFA Certified' cashmere purchased, after accounting for conversion rates.
- 4.1.5 The SFA will not allow claims that a product where cashmere fibre is blended with other natural fibres such as wool or silk for sale as 'SFA Certified' unless 100% of the cashmere is 'SFA Certified' fibre and comprises at least 5% of the final product's composition.
-  *For example, a scarf of 95% wool and 5% cashmere, then this 5% **must be** 'SFA Certified' cashmere. In another example, a scarf of 70% silk and 30% cashmere, then 30% cashmere content **must be** 'SFA Certified' cashmere in the total product.*
- 4.1.6 From 1 July 2024, the SFA will not allow claims that a product for sale is 'SFA Certified' unless the company declares percentage claims, so that the claim states that the product

contains 100% 'SFA Certified' fibre.

For example, "100% of the cashmere in this product is 'SFA Certified'". The percentage is calculated by weight of the full product unless it is a component that is easily identifiable by consumers. e.g. sleeves, corset.

- 4.1.6.1 From 1 July 2024, the SFA will not allow claims that a product for sale is 'SFA Certified' unless 100% of the cashmere in that product is 'SFA Certified'
- 4.1.7 The SFA will not allow claims that a product for sale is 'SFA Certified' unless the brand/retailer is retailing their own products.
- 4.1.8 The SFA will not allow claims on products without a valid Transaction Certificate.
- 4.1.9 The SFA will not allow claims that do not match the SFA Visual Brands Guidelines.
- 4.1.10 The SFA will not allow their logo to be used as part of a general claim, unless it is directly tied to the product(s) that it represents.
- 4.1.11 The SFA will not allow claims that make broad environmental, social and animal welfare-based claims, such as 'ethically produced', 'cruelty free', 'environmentally friendly' or '100% sustainable'.
- 4.1.12 The SFA will not allow other product or content claims made about the product that do not refer to SFA certification to be made within a distance that might infer that the claim is associated with being 'SFA Certified'.
- 4.1.13 The SFA will not allow product claims that do not include the name of the seller, their scope number and a reference to the SFA.



Note that further guidance, including the SFA Claims Guidance, can be found in the documents listed under the Claims tab at the bottom of the [Resources page](#) on the SFA website.

5 FURTHER INFORMATION

Support and guidance will always be provided by the SFA to help participating companies comply with these guidelines.

SFA Contact Details

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SFA Mongolia

The Sustainable Fibre Alliance
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Olympic Street,
Ulaanbaatar, Mongolia
Tel: +976-70115559

Email: admin@sustainablefibre.mn

Registration forms

- [SFA CoC Registration Form](#)
- [Raw or Scoured Fibre Transaction Registration Form](#)
- [SFA Transaction Registration - China](#)

Other resources

- [SFA Transaction Registration - Mongolia](#)
- [SFA Website](#)
- [FAQ and documents](#)
- [SFA-approved Conformity Assessment Bodies](#)



ANNEX – TRANSACTION RECEIPTS

Example TR 1: (raw to dehaired fibre)

TR1 only exists as a hard copy and will be issued to producers, traders and primary processors upon registration.

TRANSACTION RECEIPT 1 (RAW OR SCOURED)

Date [DD/MM/YYYY]: Transaction Receipt #:

Historical Receipt Numbers for fibre contained in this batch:

1. BUYER DETAILS		2. SELLER DETAILS	
Company Name:		Company / Organisation 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		Type of Seller (tick all that apply): <input type="checkbox"/> Producer Organisation <input type="checkbox"/> Trader <input type="checkbox"/> Processor	
SFA Register ID:		SFA Register ID:	
Contact email:		Contact email:	
Contact number:		Contact number:	
3. PRODUCT DESCRIPTION			
Product Type (tick one): <input type="checkbox"/> Raw <input type="checkbox"/> Scoured			
Colour	Weight (KG)	Price per KG (MNT)	Total price per colour (MNT)
White			
Grey			
Brown/Dark			
Mixed			
<i>TOTAL WEIGHTS</i>		<i>TOTAL PRICE</i>	

Buyer Representative Name: Seller Representative Name:

Signature: Signature:

White Copy = CAB; Pink Copy = Seller, Yellow Copy = Buyer

SFA Mongolia Office: Room #32, 2nd floor, Grand Office, Olympic Street, Ulaanbaatar. Tel +976-70115559

TR 2: dehaired to yarn

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ELECTRONIC TRANSACTION RECEIPT 2 (DEHAIRIED/CLEAN TO SPUN YARN)

Date [DD/MM/YYYY]: Transaction Receipt #:

Historical Receipt Numbers for fibre contained in this batch:

1. BUYER DETAILS		2. SELLER DETAILS	
Company Name:		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		Type of Seller (tick all that apply): <input type="checkbox"/> Trader <input type="checkbox"/> Processor <input type="checkbox"/> Manufacturer <input type="checkbox"/> Brand/retailer	
Contact email:		Contact email:	
Contact number:		Contact number:	
3. PRODUCT DESCRIPTION			
Product Type (tick one): <input type="checkbox"/> Dehaired/Clean <input type="checkbox"/> Spun Yarn			
Description	Batch ID numbers	Total Weight (KG)	SFA Content Weight (KG) / Proportion of SFA Content
<i>TOTAL WEIGHTS</i>			

Buyer Representative Name: Seller Representative Name:

Signature: Signature:

Seller to secure signatures and send completed receipt to the SFA Mongolia Office: admin@sustainablefibre.mn

TR 3: yarn to final product

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ELECTRONIC TRANSACTION RECEIPT 3 (FABRIC ONWARDS)

Date [DD/MM/YYYY]: Transaction Receipt #:

Historical Receipt Numbers for fibre contained in this batch:

1. BUYER DETAILS		2. SELLER DETAILS	
Company Name:		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		Type of Seller (tick all that apply): <input type="checkbox"/> Trader <input type="checkbox"/> Processor <input type="checkbox"/> Manufacturer <input type="checkbox"/> Brand/retailer	
Contact email:		Contact email:	
Contact number:		Contact number:	
3. PRODUCT DESCRIPTION			
Product Type (tick one): <input type="checkbox"/> Fabric <input type="checkbox"/> Final product			
Description	Batch ID numbers	Total Weight (KG)	SFA Content Weight (KG) / Proportion of SFA Content
<i>TOTAL WEIGHTS</i>			

Buyer Representative Name: Seller Representative Name:

Signature: Signature:

Seller to secure signatures and send completed receipt to the SFA Mongolia Office: admin@sustainablefibre.mn



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