

01 April 2024 SFA Chain of Custody Standard (version 1.0)





References

Sustainable Fibre Alliance (SFA) programme documents

- SFA Cashmere Standard
- SFA Clean Fibre Processing Standard
- Visual Claims Guide
- SFA Assurance Manual
- <u>SFA Glossary</u>
- <u>SFA Standard Setting Procedure</u>

Sustainable Fibre Alliance (SFA) web links

- <u>Sustainable Fibre Alliance Conformity Assessment Bodies</u>
- Sustainable Fibre Alliance Transactions Portal

Effective date

All entities not certified against the Textile Exchange Content Claim Standard or the SFA Chain of Custody Guidelines on 01/10/2024 who want to make claims regarding the trade of 'SFA Certified' products shall be certified against the SFA Chain of Custody Standard (or any recognised equivalent shown in

Standard	Notes
Textile Exchange Content Claim	Entities shall use a segregation and/or identity-preserved model for 'SFA Certified' products.
Standard	Mixed blending with uncertified cashmere is not allowed.

- 1.1.1 No one, under any circumstances, may copy, reproduce or otherwise use the 'SFA Certified' logo without prior written approval from the SFA or one of the SFA's approved CABs.
 - The SFA will publicly pursue all legal means to stop and remedy any unauthorised or misleading use of 'SFA Certified' claims or logo.
- 1.1.2 Where a requirement of this Standard contradicts law within a jurisdiction in which the entity operates, local law shall take precedence.
 - This does not grant exemptions to the entity when they are operating outside of that jurisdiction.
- 1.1.3 Entities that do not take physical possession of the 'SFA Certified' products they are transacting are exempt from the requirements at 2.8.
 - Where a subcontractor has taken physical possession of an 'SFA Certified' product on behalf of an entity, the entity is considered to have taken physical possession of that 'SFA Certified' product.
 - 1.1.3.1 Audits of entities that are exempt from 2.8 may be done remotely.
 - This means that the rest of the audit (i.e. of requirements other than those in 2.8) can be done remotely.
- 1.1.4 All producers seeking to gain or maintain certification against the requirements of this Standard shall be certified against the most recent version of the SFA Cashmere Standard or any of its predecessors that are still in effect.
- 1.1.5 From 1 November 2024, all industrial facilities that scour and/or dehair 'SFA Certified' cashmere and are seeking to gain or maintain certification against the requirements of this Standard shall be certified against the most recent version of the SFA Clean Fibre Processing Standard or any of its predecessors that are still in effect.

Products are only 'SFA Certified' when the seller is compliant with the requirements of all relevant Standards.) from 01/10/2024.

All entities certified against the Textile Exchange Content Claim Standard or the SFA Chain of Custody Guidelines on 01/10/2024 who want to continue to make claims regarding the trade of 'SFA Certified' products shall be certified against the SFA Chain of Custody Standard before the expiry date of their scope certificate that is current as of 01/10/2024.

All entities may choose to seek certification from the publication date of this

In this document, the following terms are used to indicate requirements, recommendations, permissions and possibilities or capabilities:

- "shall" indicates a requirement;
- "should" indicates a recommendation;
- "may" indicates a permission; and
- "can" indicates a possibility or a capability.
- Indicates guidance. Guidance is not normative in and of itself, but may repeat, reinforce and/or clarify normative requirements.

document.

Review of this document

The Sustainable Fibre Alliance (SFA) is responsible for this Standard. Concerns or comments on the design and/or implementation of this Standard or any other part of the SFA programme more broadly should be lodged through the <u>SFA Open</u> <u>Consultation Portal</u>. All concerns will be considered carefully, no later than when formal review of this document is scheduled to begin within three years of the previous major version being published.

Amendment record

Version	Context	Revision	Date
1.0	Replacement of SFA Chain of Custody Guidelines v3.1	See <u>SFA Chain of Custody</u> <u>Standard v1.0 Summary of</u> <u>Changes</u>	01/04/2024

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1. SCOPE



1.1 Scope requirements

This section outlines which entities need to be certified in order to trade 'SFA Certified' products and any exemptions that exist for the application of requirements.

- 1.1.6 All entities in the cashmere supply chain taking legal ownership of 'SFA Certified' products shall be certified against the SFA Chain of Custody Standard by an approved and accredited third party (i.e. a conformity assessment body; CAB) before they may make claims regarding the sale, labelling and/or processing of 'SFA Certified' products.
 - Any 'SFA Certified' product that is taken into ownership and/or possession by an entity that has not been certified against the SFA Chain of Custody Standard no longer counts as an 'SFA Certified' product.
 - See the SFA Glossary for the definition of an entity and other terms used in this document.
 - Subcontractors who do not take legal ownership of 'SFA Certified' products, but do take physical possession of 'SFA Certified' products on behalf of an entity, shall appear as a site on that entity's scope certificate.
- 1.1.7 Brands and retailers are not required to be certified if they are only taking physical possession of finished and individually SFA-labelled products.
 - Brands still need to be registered with the SFA and have paid any fees due to the SFA in order to make claims.
 - The SFA shall be responsible for reviewing and approving claims to be made by brands who do not choose to become certified. This is done using the <u>SFA</u> <u>Claims and Logo Approval Form</u>.
 - Brands whose subcontractors are taking physical possession of unfinished and/or unlabelled products must be certified, or their subcontractors certified.
- 1.1.8 Any entity that has a valid and current scope certificate for handling 'SFA Certified' products for any of the Standards listed in

Standard	Notes
Textile Exchange	Entities shall use a segregation and/or identity-preserved model for 'SFA Certified' products.
Content Claim Standard	Mixed blending with uncertified cashmere is not allowed.

- 1.1.9 No one, under any circumstances, may copy, reproduce or otherwise use the 'SFA Certified' logo without prior written approval from the SFA or one of the SFA's approved CABs.
 - The SFA will publicly pursue all legal means to stop and remedy any unauthorised or misleading use of 'SFA Certified' claims or logo.
- 1.1.10 Where a requirement of this Standard contradicts law within a jurisdiction in which the entity operates, local law shall take precedence.
 - This does not grant exemptions to the entity when they are operating outside of that jurisdiction.
- 1.1.11 Entities that do not take physical possession of the 'SFA Certified' products they are transacting are exempt from the requirements at 2.8.
 - Where a subcontractor has taken physical possession of an 'SFA Certified' product on behalf of an entity, the entity is considered to have taken physical possession of that 'SFA Certified' product.
 - 1.1.11.1 Audits of entities that are exempt from 2.8 may be done remotely.
 - This means that the rest of the audit (i.e. of requirements other than those in 2.8) can be done remotely.
- 1.1.12 All producers seeking to gain or maintain certification against the requirements of this Standard shall be certified against the most recent version of the SFA Cashmere Standard or any of its predecessors that are still in effect.
- 1.1.13 From 1 November 2024, all industrial facilities that scour and/or dehair 'SFA Certified' cashmere and are seeking to gain or maintain certification against the requirements of this Standard shall be certified against the most recent version of the SFA Clean Fibre Processing Standard or any of its predecessors that are still in effect.
- 1.1.14 Products are only 'SFA Certified' when the seller is compliant with the requirements of all relevant Standards. may make claims regarding the sale, labelling and/or processing of 'SFA Certified' products, so long as they meet the requirements of that Standard and any provisos given in

Standard	Notes
Textile Exchange	Entities shall use a segregation and/or identity-preserved model for 'SFA Certified' products.
Content Claim Standard	Mixed blending with uncertified cashmere is not allowed.

- 1.1.15 No one, under any circumstances, may copy, reproduce or otherwise use the 'SFA Certified' logo without prior written approval from the SFA or one of the SFA's approved CABs.
 - The SFA will publicly pursue all legal means to stop and remedy any unauthorised or misleading use of 'SFA Certified' claims or logo.
- 1.1.16 Where a requirement of this Standard contradicts law within a jurisdiction in which the entity operates, local law shall take precedence.
 - This does not grant exemptions to the entity when they are operating outside of that jurisdiction.
- 1.1.17 Entities that do not take physical possession of the 'SFA Certified' products they are transacting are exempt from the requirements at 2.8.
 - Where a subcontractor has taken physical possession of an 'SFA Certified' product on behalf of an entity, the entity is considered to have taken physical possession of that 'SFA Certified' product.
 - 1.1.17.1 Audits of entities that are exempt from 2.8 may be done remotely.
 - This means that the rest of the audit (i.e. of requirements other than those in 2.8) can be done remotely.
- 1.1.18 All producers seeking to gain or maintain certification against the requirements of this Standard shall be certified against the most recent version of the SFA Cashmere Standard or any of its predecessors that are still in effect.
- 1.1.19 From 1 November 2024, all industrial facilities that scour and/or dehair 'SFA Certified' cashmere and are seeking to gain or maintain certification against the requirements of this Standard shall be certified against the most recent version of the SFA Clean Fibre Processing Standard or any of its predecessors that are still in effect.
- 1.1.20 Products are only 'SFA Certified' when the seller is compliant with the requirements of all relevant Standards..
 - In practice, this means that transactions done in conformity with any of the Standards listed in

Standard	Notes
Textile Exchange	Entities shall use a segregation and/or identity-preserved model for 'SFA Certified' products.
Content Claim Standard	Mixed blending with uncertified cashmere is not allowed.

- 1.1.21 No one, under any circumstances, may copy, reproduce or otherwise use the 'SFA Certified' logo without prior written approval from the SFA or one of the SFA's approved CABs.
 - The SFA will publicly pursue all legal means to stop and remedy any unauthorised or misleading use of 'SFA Certified' claims or logo.
- 1.1.22 Where a requirement of this Standard contradicts law within a jurisdiction in which the entity operates, local law shall take precedence.
 - This does not grant exemptions to the entity when they are operating outside of that jurisdiction.
- 1.1.23 Entities that do not take physical possession of the 'SFA Certified' products they are transacting are exempt from the requirements at 2.8.
 - Where a subcontractor has taken physical possession of an 'SFA Certified' product on behalf of an entity, the entity is considered to have taken physical possession of that 'SFA Certified' product.
 - 1.1.23.1 Audits of entities that are exempt from 2.8 may be done remotely.
 - This means that the rest of the audit (i.e. of requirements other than those in 2.8) can be done remotely.
- 1.1.24 All producers seeking to gain or maintain certification against the requirements of this Standard shall be certified against the most recent version of the SFA Cashmere Standard or any of its predecessors that are still in effect.
- 1.1.25 From 1 November 2024, all industrial facilities that scour and/or dehair 'SFA Certified' cashmere and are seeking to gain or maintain certification against the requirements of this Standard shall be certified against the most recent version of the SFA Clean Fibre Processing Standard or any of its predecessors that are still in effect.
 - Products are only 'SFA Certified' when the seller is compliant with the requirements of all relevant Standards. shall be recognised as meeting the requirements of 2.9.1 and 2.9.2.

Table 1: Equivalent Standards recognised by the SFA

Standard	Notes
Textile Exchange	Entities shall use a segregation and/or identity-preserved model for 'SFA Certified' products.
<u>Content Claim</u> <u>Standard</u>	Mixed blending with uncertified cashmere is not allowed.

- 1.1.26 No one, under any circumstances, may copy, reproduce or otherwise use the 'SFA Certified' logo without prior written approval from the SFA or one of the SFA's approved CABs.
 - The SFA will publicly pursue all legal means to stop and remedy any unauthorised or misleading use of 'SFA Certified' claims or logo.
- 1.1.27 Where a requirement of this Standard contradicts law within a jurisdiction in which the entity operates, local law shall take precedence.
 - This does not grant exemptions to the entity when they are operating outside of that jurisdiction.
- 1.1.28 Entities that do not take physical possession of the 'SFA Certified' products they are transacting are exempt from the requirements at 2.8.

Where a subcontractor has taken physical possession of an 'SFA Certified' product on behalf of an entity, the entity is considered to have taken physical possession of that 'SFA Certified' product.

- 1.1.28.1 Audits of entities that are exempt from 2.8 may be done remotely.
- This means that the rest of the audit (i.e. of requirements other than those in 2.8) can be done remotely.
- 1.1.29 All producers seeking to gain or maintain certification against the requirements of this Standard shall be certified against the most recent version of the SFA Cashmere Standard or any of its predecessors that are still in effect.
- 1.1.30 From 1 November 2024, all industrial facilities that scour and/or dehair 'SFA Certified' cashmere and are seeking to gain or maintain certification against the requirements of this Standard shall be certified against the most recent version of the SFA Clean Fibre Processing Standard or any of its predecessors that are still in effect.
 - Products are only 'SFA Certified' when the seller is compliant with the requirements of all relevant Standards.

2. CERTIFICATION REQUIREMENTS

2.1. Entity structure

- 2.1.1 All entities seeking to gain or maintain certification against this Standard shall have a management office.
 - ▶ This does not need to be a physical office.
- 2.1.2 Entities seeking to gain or maintain certification against this Standard may have one or more physical sites where 'SFA Certified' products are expected to be physically handled.
 - Sites include any that are operated by subcontractors.

2.2. Entity legal status

- 2.2.1 All entities seeking to gain or maintain certification against this Standard shall be a legal entity or person in the country where its management office is based.
- 2.2.2 The entity shall hold a contract that covers the requirements of this Standard with all sites covered by the entity's scope certificate.
 - This includes all subcontractors operating on behalf of the entity.

2.3. Documented procedures

- 2.3.1 The entity shall maintain a quality management system that documents processes, procedures and responsibilities for continuously and consistently meeting each of the requirements of the SFA Chain of Custody Standard.
- 2.3.2 The entity shall have a defined procedure for adding and removing sites from the entity's scope certificate, including for sites managed by subcontractors.
- 2.3.3 The entity shall have and implement a procedure for the handling of complaints relating to this Standard.
- 2.3.4 The entity shall have procedures in place to ensure that any nonconforming products are identified and controlled to prevent their unintended sale and delivery as "SFA Certified".

2.4. Resourcing and training

- 2.4.1 The entity shall maintain the human and infrastructure resources needed for continuously and consistently meeting each of the requirements of the SFA Chain of Custody Standard.
- 2.4.2 The entity shall appoint a management representative with overall responsibility for meeting the requirements of the SFA Chain of Custody Standard.
- 2.4.2.1 The entity shall inform the CAB and the SFA of any change in the identity of the management representative within 10 working days.
- 2.4.3 The entity shall identify and define the key personnel responsible for the implementation of each procedure related to the delivery of these requirements.
- 2.4.4 The entity shall ensure that all staff responsible for delivering against the requirements of the SFA Chain of Custody Standard have adequate training and qualifications for delivering their responsibilities.

2.5. Management system review

- 2.5.1 The entity shall annually review their chain of custody management system, including:
 - a. Self-assessment against the requirements of the Standard;
 - b. Action plans for addressing any unresolved issues raised by any party about the entity or any of its sites or products since the last review, including from the most recent self-assessment, with particular reference to any complaints;
 - c. Escalated action plans for addressing any unresolved issues carried over from the last review, with particular reference to any complaints.

2.6. Record keeping

- 2.6.1 The entity shall keep complete, accurate and up-to-date records of:
 - a. The names, addresses, contact details and activities conducted for the entity for all sites taking physical possession of 'SFA Certified' products on behalf of the entity, excluding retail sites;
 - This includes sites managed and run by subcontractors.
 - b. The quantity all 'SFA Certified' fibre produced to site level including date of production, if any;
 - c. The numbers of goats bought and sold to site level, if any;
 - d. All data relating to the processing and/or conditioning of 'SFA Certified' products including but not limited to:
 - i. Processing Records;
 - ii. Any product quality test data and reports;
 - e. All data related to transactions involving 'SFA Certified' products including

but not limited to:

- i. Transaction Records;
- ii. claims made by the entity;
- iii. contracts;
- iv. product descriptions or specifications including technical parameters;
- v. purchase orders;
- vi. invoices and receipts;
- vii. shipping and customs documentation;
- viii. names, addresses and contact details of the entity's suppliers of 'SFA Certified' products; and
- ix. names, addresses and contact details of the entity's buyers of 'SFA Certified' products;
- x. inspections of 'SFA Certified' products when they arrive at a site.
- f. The fate of all 'SFA Certified' products bought and/or produced, up to and including when they leave the ownership and possession of the entity, including:
 - i. The proportional quantity of products that:
 - i. are inventory;
 - ii. were sold as an 'SFA Certified' product;
 - iii. were sold as an uncertified product;
 - iv. were discarded as waste from processing; or
 - v. were otherwise discarded/rejected.
 - ii. The physical location of each proportion with reference to sites where possible;
- The entity does not need to track onward sales made by a buyer or what happens to waste that has been disposed, beyond what is required by the SFA Clean Fibre Processing Standard.
- g. Equations used for content claims where 'SFA Certified' cashmere comprises less than 100% of the product;
- h. Complaints and, for those already resolved, a description of the outcomes including an explanation of how they were resolved;
- i. Staff training related to SFA certification;
- j. Anything else recorded to demonstrate conformity with this Standard.
- 2.6.1.1 The entity shall ensure that all records are easily accessed and analysed.
 - This means data shall be stored in a database such as an Excel spreadsheet, not just as scanned electronic copies of physical documents.
- 2.6.2 Transaction Records shall contain the following information:
 - a. The certified quantity of fibre being transacted;
 - b. The gross quantity of the fibre being transacted;

- c. The net quantity of the fibre being transacted;
- d. For Transaction Records related to raw fibre products, the region and country of origin;
- e. For Transaction Records related to raw fibre products, the mean age of the goats producing the fibre;
- f. For Transaction Records related to raw fibre products, the micron of the fibre being transacted;
- g. For Transaction Records related to raw fibre products, the colour of the fibre being transacted;
- h. The date the product was shipped;
- i. The date the product was received;
- This is entered by the buyer upon receipt of the certified product(s)
- j. The seller's SFA Chain of Custody Standard scope certificate number;
- k. The full name of a representative from the seller filling out this Transaction Record;
- I. The buyer's SFA Chain of Custody Standard scope certificate number;
- m. The full name of a representative from the buyer filling out this this Transaction Record;
- n. The buyer's site(s) taking physical possession of the products following the transaction;
- A list of any Transaction Records contributing 'SFA Certified' products to this transaction, listing the quantity of certified products taken from each preceding Transaction Record
- This refers to immediately preceding Transaction Records only. It does not include Transaction Records from before the seller purchased the certified products of interest.
- p. A list of Processing Records for any processing and/or conditioning done by the seller to the products being transacted;
- q. A reference number unique to that transaction;
- Unique reference numbers are issued by the <u>SFA Traceability Platform</u>.
- r. The date that the Transaction Record was agreed by the buyer and the seller as complete;
- 2.6.3 Processing Records shall contain the following information:
 - a. The certified quantity of fibre before processing and/or conditioning;
 - b. A list of any Transaction Records contributing 'SFA Certified' products to this processing and/or conditioning, listing the quantity of certified products taken from each preceding Transaction Record
 - c. The certified quantity of fibre after processing and/or conditioning;
 - d. An indication of the state of the fibre before processing and/or conditioned;
 - e. An indication of the type of processing and/or conditioning being done;

- f. An indication of the state of the fibre after processing and/or conditioned;
- g. Any regain factors used to calculate the certified quantity of fibre after it has been processed and/or conditioned;
- h. Any actual conversion factors used to calculate the certified quantity of fibre after it has been processed and/or conditioned;
- i. Justification for any regain and/or conversion factors used to calculate the certified quantity of fibre being processed and/or conditioned;
- j. The full name of a representative from the entity filling out this Processing Record;
- k. A reference number unique to that processing;
- Unique reference numbers are issued by the <u>SFA Traceability Platform</u>.
- I. The date that the Processing Record was verified by the entity's CAB.
- 2.6.4 Records shall be retained for a minimum period of six years.

2.7. Reporting and transparency

- 2.7.1 The entity shall provide the SFA and/or the CAB that issued the entity's scope certificate, and their representatives, unconditional and unsupervised access to all of the entity's and/or any of the entity's subcontractors records, sites and staff related to their scope certificate on request.
- 2.7.2 The entity shall encourage all staff to report to the entity's CAB any suspected non-conformities committed by the entity against any of the Standards in the scope of the SFA programme against which the entity is certified.
- 2.7.2.1 The entity shall display a notice in prominent locations within staff common areas that includes:
 - a. A list of the SFA standards against which the entity is certified;
 - This includes the SFA Chain of Custody Standard;
 - b. Information on how to access more information about the SFA Standards against which the entity is certified;
 - c. Direction that all staff report suspected non-conformities committed by the entity against any of the Standards in the scope of the SFA programme against which the entity is certified, directly to the entity's CAB;
 - d. The contact details for the entity's CAB;
 - e. Reassurance that all reports to the CAB made by staff are anonymous and that the identity of any whistleblower(s) will not be shared with the entity.
- 2.7.2.1.1 The notice shall be plainly written and in a language commonly used by staff in that area.

2.8. Processing, storage and transport

2.8.1. The entity shall ensure that any processing and/or conditioning of 'SFA Certified' products is documented by an electronic Processing Record that has been completed in full.

- 2.8.1.1. The details of the Processing Record shall be verified by the CAB where any actual conversion factors deviate from the expected conversion factors by more than 5%.
 - Types of processing are shown in Table 2.
- 2.8.2. For products owned by the entity, the entity shall have procedures in place that control the identification of products and their materials at all times.
 - This includes products that are identical except that one is certified and the other is not. These products shall have separate bills of materials.
- 2.8.3. The entity shall ensure that 'SFA Certified' products are clearly labelled so that they are easily distinguishable from uncertified products at all times.
- 2.8.4. The entity shall ensure that all 'SFA Certified' products that they own and that are in their possession are labelled so that they can be linked with Transaction Records, any Processing Records and all other documentation for that batch.
- 2.8.5. 100% of the cashmere in any 'SFA Certified' product shall be 'SFA Certified' cashmere.
 - 'SFA Certified' cashmere may be blended with other fibres that are not required to be certified.
- 2.8.6. The entity shall ensure that 'SFA Certified' products are kept segregated from non-certified cashmere products at all times.
 - This applies to all stages of the supply chain and all processing, including transportation.
- 2.8.7. The entity shall ensure that any machinery is cleared of uncertified products before use for 'SFA Certified' products.
- 2.8.8. The entity shall ensure that packages of 'SFA Certified' products are sealed in a way that the receiver of a product can tell if anything has been changed, opened, removed, or damaged.

2.9. Transactions

- 2.9.1. The entity shall only purchase 'SFA Certified' products from entities that hold a valid scope certificate.
- 2.9.2. The entity shall not purchase 'SFA Certified' products without valid Transaction Records for the previous sale of the 'SFA Certified' products comprising the products being purchased.
- 2.9.3. The entity shall confirm that all physical 'SFA Certified' products received match the details described on the Transaction Record for the purchase of that product.

- 2.9.4. Where the entity receives an uncertified product that was sold to the entity as an 'SFA Certified' product, the entity shall inform the CAB and the SFA within five working days of realising that the product is uncertified.
 - Informing the SFA is done by emailing <u>standards@sustainablefibre.org</u>.
- 2.9.4.1. If the product had already been sold the entity shall inform the buyer of that product within five working days of realising that the product is uncertified.
- 2.9.5. The entity shall ensure that the final details of any Transaction Record for a product are available and accessible to the following before any processing begins for that product or that product is sold again:
 - a. the buyer;
 - b. the seller;
 - c. the CAB that issued the buyer's scope certificate;
 - d. the CAB that issued the seller's scope certificate; and
 - e. the SFA.
- 2.9.6. For transactions involving the following types of products, the entity shall not sell or begin processing on a product they have bought before they have active confirmation from either the buyer or the seller's CAB that that CAB has verified that the details of the Transaction Record are correct and that quantity reconciliation has been done for each step of the supply chain preceding this transaction:
 - a. Raw fibre sold between entities;
 - b. raw fibre that is sold by a site to an entity that is not on the same scope certificate as the site;
 - c. fibre that has not been sold since dehairing.
 - An entity may sell and/or begin processing on a product from a transaction that does not involve raw fibre that is sold by a site to an entity that is not on the same scope certificate and/or fibre that has not been sold since dehairing; however, they do so at their own risk that that product may no longer be considered 'SFA Certified' if, during an audit, a CAB is not able to verify the details of the Transaction Record or reconcile the quantities that have been transacted.
 - CABs are required to audit all transactions within a month of each transaction taking place.
- 2.9.7. The entity shall not sell products as 'SFA Certified' unless 100% of the cashmere in the product is 'SFA Certified'.
- 2.9.8. Where 'SFA Certified' cashmere is blended with fibres other than cashmere, the entity shall not sell products as 'SFA Certified' unless 100% of the cashmere in the product is 'SFA Certified' cashmere and 'SFA Certified' cashmere comprises at least 5% of the final product's composition.

- For example, a scarf of 95% wool and 5% cashmere, then this 5% <u>must be</u> 'SFA Certified' cashmere. In another example, a scarf of 70% silk and 30% cashmere, then 30% cashmere content <u>must be</u> 'SFA Certified' cashmere in the total product.
- 2.9.9. The entity shall ensure that any sale of 'SFA Certified' products are documented by an electronic Transaction Record that has been completed in full and the details agreed by the buyer and seller within 15 working days of the buyer receiving the product.
 - Transaction Records are required every time an 'SFA Certified' product is sold. Incomplete Transactions Records are invalid.
- 2.9.10. The entity shall make claims in accordance with Annex 1: Claims.

2.10. Quantity reconciliation

- 2.10.1. The entity shall maintain up-to-date material accounting records that quantify input and output material at site level at all times. It shall cover an ongoing calculation that ensures that the quantity of outputs quantitatively reconciles with the quantity of inputs at all times at a site level, accounting for conversion factors and conditioning.
 - Inputs refers to the quantity of the 'SFA Certified' products purchased. Outputs include 'SFA Certified' product inventory, products sold as 'SFA Certified' and products sold as uncertified, discarded as waste from processing or otherwise discarded/rejected.
- 2.10.2. An entity producing raw fibre shall justify the quantity of certified products produced against an evidenced number of goats from whom the product was harvested.
 - This only applies to producer entities.
- 2.10.3. The entity shall have a consistent methodology for calculating conversion factor(s) and the effects of conditioning, and shall keep them up to date.
- 2.10.4. The entity shall ensure that the certified quantity of products sold as 'SFA Certified' never exceeds the quantity of 'SFA Certified' products harvested or bought at a site level, accounting for conversion factors and conditioning.
- 2.10.5. The entity shall justify any expected conversion factors for any processing done where the type of processing is listed in Table 2.
 - I.e. at the initial assessment of new entities.
- 2.10.6. The entity shall annually review expected conversion factors, comparing expected conversion factors to the actual conversion factors observed in the previous year, and justify any changes.
- 2.10.7. The entity shall annually review their methods for calculating the effects of conditioning, accounting for conditioning actuals observed in the previous year, and justify any changes.
- 2.10.8. For each 'SFA Certified' product, the entity shall justify any deviations of more than 5% between fibre bought and fibre sold, accounting for conversion factors and conditioning.
- 2.10.8.1. Accounting for conditioning shall be justified through water content analysis of fibre samples.

Table 2: Processing types for which expected conversion factors need to be agreed with the CAB

	Type of processing
Harvesting	Shearing
	Combing
Primary	Sorting
Processing	Scouring from shorn fibre
	Dehairing from shorn fibre
	Scouring from combed fibre
	Dehairing from combed fibre
Manufacturing	Spinning from woollen
	Spinning from worsted
	Weaving
	Knitting
	Wet processing
	Dyeing
	Other manufacturing
Other	Recycling
	Conditioning

ANNEX 1: CLAIMS



- A1.1 The entity shall only make 'SFA Certified' claims that are verifiably accurate.
- A1.2 The entity shall only make 'SFA Certified' claims for products with a valid and traceable Transaction Record for the purchase of that product.
- A1.3 The entity shall not make any 'SFA Certified' product claims for any physical products received from a seller that cannot be reconciled with the details described on the Transaction Record for the purchase of that product.
- A1.4 The entity shall only make claims that a product for sale is 'SFA Certified' when the entity is selling their own products.
 - Claims on another entity's products require the certification of the other entity.
- A1.5 When making a product claim, the SFA Visual Brand Guidelines shall be followed.
 - The SFA Visual Brand Guidelines show how the SFA logo can be used.
- A1.6 The entity shall not make 'SFA Certified' claims that make broad environmental, social and animal-welfare-based claims.
 - For example, claims such as 'ethically produced', 'cruelty free', 'environmentally friendly' or '100% sustainable' are not allowed.
- A1.7 The entity shall not use the SFA logo as a part or the whole of a general claim.
- A1.8 The entity shall not make claims that a final product for sale is 'SFA Certified' without a label which includes the 'SFA Certified' logo, unless otherwise agreed with the CAB.
- A1.8.1 When the 'SFA Certified' logo is unable to appear adjacent to the product claim, such as in an online catalogue image, the CAB may approve a text-only claim as long as the logo appears elsewhere on the product, hangtag, product listing or another webpage.
 - Where a claim is attached to a product (e.g. a hangtag) on behalf of an uncertified entity (e.g. an exempt brand), the claim shall be made against the scope certificate of the entity attaching the claim to the product. The CAB may wish to liaise directly with the exempt brand to this end.
- A1.9 The entity shall not make other product or content claims about the product that do not refer to SFA certification in any way that might infer

that that claim is associated with being 'SFA Certified'.

- A1.10 The entity shall ensure that all product claims include:
 - a. the name of the entity;
 - b. the entity's scope certificate number; and
 - c. a reference to the SFA.
- A1.11 The entity shall not make geographic-based 'SFA Certified' claims without including the country of origin.
- A1.12 All on-product claims bearing the 'SFA Certified' logo should include qualifying statements about the SFA to increase consumer understanding and awareness of our work.
- A1.13 The entity shall not make 'SFA Certified' claims without prior approval for that specific claim from the CAB.
- A1.13.1 Supplied claims (see Table 3) are exempt from A1.13 and do not need prior approval from the CAB.
- A1.13.2 Translated supplied claims do need prior approval from the CAB.
 - Supplied claims still need to meet all the requirements of this Annex.
 - Supplied claims, general claims, product claims and qualifying statements (see Table 3) are defined in the SFA Glossary.

Table 3: Supplied claims. General claims, product claims and qualifying statements are defined in the SFA Glossary.

General claims	"We source 'SFA Certified' cashmere that is traced through the supply chain from certified herders to product."
	"Our product range includes cashmere products which have been made with cashmere that has been 'SFA Certified'."
	"[Company/brand] buys 'SFA Certified' cashmere as part of our commitment to responsible sourcing."
	"By sourcing cashmere that is 'SFA Certified', [company/brand] helps to support the SFA's mission to improve animal welfare, environmental practices and the livelihoods of herders."
	"Our 'SFA Certified' cashmere is sourced from 'SFA Certified' producers and processors."
	"[Company/brand] buys 'SFA Certified' cashmere as part of our commitment to responsible sourcing."
	"Our product range includes cashmere products that have been made with 'SFA Certified' cashmere."
Product claims	"This product is 100% 'SFA Certified' cashmere."
	"All of the cashmere in this [garment/product] has been produced following high animal welfare practices, as certified by the SFA."
	"All of our cashmere is 'SFA Certified'."
	"This [yarn/fabric/product] contains 100% 'SFA Certified' fibre."
Qualifying statements	"The certified cashmere in this garment has been produced in a way that improves the well-being of animals."
	"'SFA Certified' cashmere has been produced to high animal welfare standards, tracing it from herders to final product and supporting socially responsible practices."
	"Purchasing 'SFA Certified' cashmere supports the SFA's work in creating an equitable cashmere supply chain."
	"The SFA's work helps improve the welfare of cashmere goats, the protection of rangelands and security of herder livelihoods."
	"The SFA works with herders to improve animal welfare and traces cashmere through to the finished product."
	"In buying this product you are supporting the responsible sourcing of cashmere."
	"The SFA's vision is that cashmere is produced in a way that minimises environmental impact, safeguards

	herder livelihoods and meets high welfare standards."
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