

28 MAY 2024

CONSULTATION DOCUMENT

SFA CASHMERE STANDARD





INTRODUCTION

Purpose of this document

This document is a high-level policy statement that contextualises the draft SFA Cashmere Standard v2.0 (hereafter, the Standard), that has been released for <u>public consultation</u>. This document contains some background to the review of the Standard and a summary of the revisions being proposed.

Purpose of consultation

It is the goal of SFA consultations to be authentic, fair and inclusive, secure strategic insight and build consensus and credibility. Our core principle is that consultations should be useful to the SFA in achieving its mission and useful to the participants in seeing how their views are considered. To achieve this, the SFA's processes for consultation strive to follow the ISEAL Standard Setting Code of Good Practice as per the SFA Standard Setting Procedure.

ISEAL requires that participation is open to all stakeholders, and that the standard setter proactively seeks contributions from disadvantaged stakeholder groups. This is to ensure that contributors represent a balance of interests in the subject matter and in the geographical scope to which the Standard applies.





WHY A REVISED STANDARD?

Background

The SFA Cashmere Standard covers the biggest market share for certified cashmere. It is the only cashmere Standard that aims to improve goat welfare, safeguard biodiversity and land, promote decent work and enhance fibre quality through an effective management system and assured chain of custody. The Standard is needed to truly represent producer voices through the strength of our herder relationships and heritage.

<u>Version 1.0</u> was published in Jan 2023 following an extensive revision and multi-stakeholder consultation throughout 2022. You can learn more about the development of v1.0 and the comments received <u>here</u>, but that revision primarily involved the global integration of national level standards and the addition of requirements for decent work and improving fibre quality.

Persistent debate about an issue

Some stakeholders have since raised concerns that the animal welfare requirements may not meet evolving consumer expectations. We believe this development triggers clause 6.5 of the ISEAL Code of Good Practice: "Where substantive, unresolved issues persist [...] the scheme owner carries out additional public and/or targeted consultation, as necessary."

Way forward

Accordingly, the SFA pushed back the transition deadline for the SFA Cashmere Standard v1.0 until after further development work could be done. The draft Standard presented here for public consultation is the result of that work. Following this consultation the SFA will review the feedback received before developing a final version of the SFA Cashmere Standard v2.0 for publication in December 2024. Any other concerns or comments regarding the SFA programme that are outside the design of this Standard should be lodged through the SFA Open Consultation Portal.





PROPOSALS

The draft Standard presented here in this consultation would replace the SFA Cashmere Standard v1.0 and all its predecessors. This section outlines how the Standard differs from the SFA Cashmere Standard v1.0. For more information on how the draft Standard would work in full, please read the draft Standard itself, which you can find through the <u>SFA public</u> consultation portal.

Summary of proposals

New requirement(s) regarding the sale of goats for slaughter

Some stakeholders have raised concerns that the animal welfare requirements may not meet evolving consumer expectations. These included concerns around goats from 'SFA Certified' operations being sold to unregulated slaughterhouses. Certifying slaughterhouses falls outside of the SFA's remit, however we feel that we have an end-of-life responsibility to all goats that have produced 'SFA Certified' cashmere. To exert some influence on the slaughterhouses certified entities use, we are proposing a due-diligence requirement, that obliges the certified entity to have a lawfully binding agreement with the slaughterhouse. This agreement would stipulate that the slaughterhouse must abide by aspects of the SFA's animal welfare standards and give access to observers affiliated with the certified entity (i.e. the Conformity Assessment Body, hereafter the CAB).

The proposed new requirement is at 18.4, which is provided in context below:

- 18.1 The site *shall* only slaughter goats using methods that stun the goat before slaughter causing a rapid loss of consciousness that is expected to last longer than the process of slaughtering.
 - The aim of this requirement is to minimise both pain and distress for the goat.
- The site **shall** ensure that slaughter is only done by competent persons using equipment that is clean and suitable.
- 18.3 The site *shall* not sell goats for international slaughter.
- 18.4 The site *shall* not sell goats for slaughter without a written agreement with the buyer that states that the slaughterhouse commits to:
 - a) conform with clauses 18.1, 18.2, 18.3 of this Standard;
 - b) allow the entity and the entity's CAB unrestricted access to all sites and data associated with any slaughter of the site's goats and unrestricted and unsupervised access to all staff involved with any slaughter of the site's goats on request from the entity, the site, the SFA and/or the entity's CAB.



Revised scoring mechanism for continual improvement

Previous SFA codes of practice governing cashmere production followed a medal (gold, silver, bronze) system for scoring. When these codes were combined into the SFA Cashmere Standard, a new pass/fail system was implemented where entities needed to pass all requirements for certification. This raised the bar for entry to the program considerably, potentially excluding from the programme some entities that the SFA intends to keep. The draft revised Standard aims to more explicitly define the minimum performance expected of entities (i.e. all the requirements defined by "the [entity/site] shall") which includes a requirement to show 'continual improvement'. Some of the requirements from v1.0 of the Standard are now explicitly defined as 'improvement indicators' (i.e. those defined by "the [entity/site] may"); it is these that an entity may choose to meet in order to show 'continual improvement'. Once an entity has met all of these improvement indicators, they are exempt from having to show continual improvement and are able to claim that they have met 'SFA Best Practice' a prestigious claim reserved for the higher performing entities. Furthermore, some of these improvement indicators can only be achieved by land-based extensive systems (i.e. not industrial operations), meaning that the best claims are reserved for the production system that the SFA is most wanting to promote and support.

To easily find the improvement indicators in the Standard, search for "may".

New requirements to prove land tenure

The SFA Cashmere Standard v2.0 includes a new requirement that sites prove they have the legal right to operate.

8.1 The site *shall* prove their legal tenure of the land they are using.

Removal of requirement limiting slaughter to euthanasia

The SFA Cashmere Standard v1.0 contained the following requirement: Goats must only be euthanised if they are experiencing pain or sickness and have no prospect of recovery, have not responded to treatments or are subject to chronic suffering. We have removed this requirement as unreasonable. Our justification is that slaughter for personal consumption or sale is an inevitable part of animal agriculture, especially for largely self-sufficient small holds.

Removal of requirement on quality of goats for consumption

The SFA Cashmere Standard v1.0 contained the following requirement: If the goat is going to be used as food, drug withdrawal prior to euthanasia must follow veterinary instructions to ensure any medication, treatment or injection content is no longer present in the goat's body. We have removed this requirement as it is out of the scope of the SFA Cashmere Standard; it does not fall under any of the five principles defined within the Terms of Reference of the Standard (i.e. Biodiversity and land use, decent work, animal welfare, effective management or fibre quality improvement).

New requirements defining an entity

We have included new requirements for defining entities and their sites. This clarifies who can be certified and illustrates how entities and their sites succeed or fail collectively, as per section 28 of the SFA Assurance and Certification Manual v1.1.



Competence of workers

Multiple requirements in the SFA Cashmere Standard v1.0 contained a requirement that medical treatments such as vaccination, castration, etc were carried out on the advice of a veterinarian. We have made many of these requirements improvement indicators, but have made following manufacturers' instructions a minimum requirement to compensate. We believe this is more feasible for producers to comply, while remaining clear on the SFA's intent with these requirements: to encourage that goat welfare is maintained during these activities.

Clarified definitions of entities and sites

Certification against the SFA Cashmere Standard is indicated by a scope certificate, which defines the range of operations covered by any given scope certificate. The scope certificate is held by an 'entity' such as a producer organisation or buying house, which is associated with one or more sites actually responsible for producing the cashmere. While an entity and its sites may be different organisations, the scope certificate makes them collectively responsible for their certification. The entity and its sites fail or succeed together. For example, if one site receives a non-conformity against the Standard, all sites in the entity receive the same non-conformity.

More information on defining scope certificates and non-conformities can be found in the <u>SFA</u> Assurance and Certification Manual.

Exempting some sites from irrelevant requirements

Some of the requirements related to decent work are designed with more industrial operations in mind. Accordingly, we have put conditional exemptions on some (but not all) of the requirements relating to labour are designed to govern employer-employee interactions, which are less relevant to domestic operations. Accordingly, sites whose workers are all members of the same family household are exempt from some requirements.

To easily find the clauses for which households are exempt in the Standard, search for "households".

Clarified responsibilities for entities and their sites

Every requirement and improvement indicator now explicitly states whether it is the entity as a whole or individual sites that are responsible for meeting that requirement. It is hoped that this will lead to greater accountability while eliminating duplicated effort.

Simplification through elimination of redundancies

Duplicative and redundant requirements lead to increased auditing fees and avoidable burdens on certificate holders. The SFA has taken this review as an opportunity to streamline the Standard.

Examples include:

- Hazardous materials use and disposal. Relevant clauses can be found at section 5 and 22, and clauses 6.1.a, 13.2 and 13.3.
- Protection of water resources. Relevant clauses are found at clauses 12.3, 12.4, 12.5.
- Respectful tenure. Relevant clauses can be found at section 8 and clauses 6.1 (g)
- Continual improvement. Relevant clauses can be found at section 7.



Closure of loopholes through specificity and removal of jargon

Some of the requirements in the Standard were abstract and/or open-ended. These sorts of requirements can lead to inconsistent assessment outcomes, where different entities with similar operations using different CABs may receive different assessment outcomes. Accordingly, we have taken this opportunity to eliminate jargon and be more explicit in our intent for all requirements.

Examples include:

- Knowledge and understanding requirements into training. Relevant clauses can be found at section 4.
- Record keeping. Relevant clauses can be found at section 6.
- ILO and other UN definitions

New Country Guidelines templates

The Standard is intended to be applied globally, with the same basic requirements for all entities, whichever country they are based in. However, as local context may influence how a requirement applies in practice, the SFA has created a template for 'Country Guidelines' - a supporting document that provides entities and CABs with guidance on how the requirements might be applied in that country. It is expected that Country Guidelines for Afghanistan, China and Mongolia will be launched alongside the revised Standard, with more to be published over time. Examples of subjects covered by Country Guidelines include:

- Access to infrastructure, such as potable water, electricity and internet;
- Local ecological context, such as threatened and locally invasive species;
- Prevalence and access to technology, medicines and cashmere harvesting techniques;
- Presence of local and protected communities, such as indigenous peoples;
- Identification of who is responsible for the management of rangelands;
- Any other risks common to that country.

Integration with SFA Chain of Custody Standard

The SFA Chain of Custody Standard was recently reviewed and a new version published on 1 April 2024. A summary of the changes made as part of that review can be found here, but the most relevant point is that it explicitly covers how producers are expected to control and trade the 'SFA Certified' fibre that they produce. In practice this means that entities (and their sites) that are seeking certification against the SFA Cashmere Standard must also be certified against the SFA Chain of Custody Standard. This means considerable additional scrutiny on the producer links of the supply chain.

More information: <u>SFA's Chain of Custody Guidance for Tracking Certified Cashmere Fibre Supply Chain (sustainablefibre.org)</u>



Clarifying how the Standard interacts with local law

The Standard now includes an exemption (1.2) that, where the Standard contradicts local law, local law shall take precedence.

Transition timelines

The SFA scope certificate holders will be given enough time to adjust how they produce 'SFA Certified' cashmere. In practice, this means that scope certificates may still be issued against older versions of the Standard until 1 April 2025. Any existing scope certificates that were issued before that date will be valid until they expire, after which the entity will need to be certified against the new SFA Cashmere Standard v2.0.

More information can be found at the section on Effective Dates in the SFA Cashmere Standard v2.0.

What isn't changing

The scope of the SFA Cashmere Standard v2.0 remains global, and continues to focus on effective management, decent work, biodiversity, improving animal welfare and enhanced fibre quality.

