

31 MARCH 2025

STATEMENT OF INTENT

REVIEW OF CLEAN FIBRE PROCESSING STANDARD



WHY A REVISED STANDARD?

Background

The <u>SFA Clean Fibre Processing Standard</u> (hereafter, the Standard or CFPS) was developed to reduce the environmental impact of cashmere fibre processing. We want to ensure that harmful chemicals, specifically alkylphenol ethoxylates (APEOs), are eliminated from the scouring (washing) and dehairing process. A standard for the scouring and dehairing process is critical since it is currently a largely unregulated process, with no external overlapping standards. Without it, manufacturers, brands and retailers further down the supply chain may test imported fabrics only to discover that APEOs have been used at this initial stage of processing. This has both legal implications and impacts the claims that can be made regarding the product.

<u>Version 1.1 of the CFPS</u> was published in 2021 following an extensive revision and multi-stakeholder consultation since 2019. A Terms of Reference for the Standard can be found here.

Time for a scheduled review

Clause 6.14 of the ISEAL Code of Good Practice requires that standards be reviewed at least every five years to assess continued relevance and effectiveness in meeting the Standards' stated objectives. The last version of the Standard was published in 2021, meaning it would soon be overdue for review.

Way forward

Accordingly, throughout 2025, the SFA will discuss with stakeholders which changes, if any, need to be made to the Standard. The aim is for a new version, if any, to be published in mid-2026, though publication may be pushed back if more consultation is needed to resolve any persistent disagreements that arise.



WHAT IS BEING CONSIDERED?

Certification of all industrial processing

The Standard currently only covers industrial dehairers and scourers of cashmere, when all stages of the process have the potential for environmental impact and poor labour practices. Stakeholders have asked that the SFA Clean Fibre Processing certification for all industrial processors of cashmere be considered. As part of this, considerable effort will be put into finding ways to simplify and streamline the Standard, such as ensuring duplication of requirements is minimised.

Expand the scope to all animal fibres

In 2025, we expect to expand the scope of our production-level standard to include animal fibres beyond cashmere, see the <u>AFS Camelid Scope Statement of Intent here</u>, requiring the CFPS to adapt accordingly. In any case, requirements that are general enough for all stages of the cashmere processing would likely be suitable for all types of fibres.

Exposure to UV lighting

UV lights are used in some types of animal fibre processing. Stakeholders have raised concerns about the impact extended exposure to UV light has on the eyes of factory workers. We will consider a new requirement that regulates this space.

Reducing carbon emissions

We will consider requiring industrial processors to eliminate, from their on-site operations, the use of energy derived from fossil fuels.

Transparency and access

As with the most recent version of the SFA Animal Fibre Standard, we will consider making the requirements related to record keeping and staff access more specific.



MORE CONSIDERATIONS

Recycling of fibre and 'SFA Certified'

Many stakeholders have asked for the consideration of recycled cashmere to count as 'SFA Certified', arguing that recycled products are at least as ethical as virgin cashmere produced in line with the SFA Animal Fibre Standard. However, detractors argue that certifying any fibre for which provenance cannot be traced (which would be difficult for recycled animal fibre) or the potential for nominal 'recycling' of otherwise robust products to act as a certification loophole would be inappropriate.

We believe it is worth investigating options for consultation as part of this review. However, we have already ruled out creating an SFA Recycling Standard, a specific recycling module within the CFPS or otherwise creating something that duplicates or competes with other existing recycling standards.

Any decision to allow recycled fibre to count as 'SFA Certified' would be reflected in the SFA Chain of Custody Standard, with specific requirements for the minimum amount of virgin cashmere, a claims framework that requires 'SFA Certified' products account for product composition, such as mix, pure or recycled cashmere, and a specific requirement to test recycled materials for APEOs (excluding those with a positive test result).

Collaborative business practices

A key part of the SFA Theory of Change, is ensuring that the added value created for 'SFA Certified' products is benefited by all those in the value chain. We will consider requirements that expose any predatory or exploitative business practices facilitated by power dynamics or otherwise.

Continual improvement framework

As with the most recent version of the SFA Animal Fibre Standard, we will consider replacing the gold, silver and bronze medal system with a continual improvement framework.



FAQS

How long would we have to prepare?

Enough time will be given for certificate-holding dehairers and scourers to adjust how they process 'SFA Certified' animal fibre. All 'SFA Certified' animal fibre processors following old requirements will still count as 'SFA Certified'. You will have a chance to give feedback on any proposed timelines.

What isn't changing?

The scope will remain global and continue to focus on effective management, decent work, and protection of the environment.

How are decisions made?

Decisions are made by the SFA Standard System Improvement Committee (SSIC), based on recommendations made by the SFA Secretariat. The SFA Board retains the right to veto decisions made by the SSIC. All decisions are announced and justified through the SFA website.

For more information on this and more see the SFA Standard Setting Procedure.

Contact and comments

We welcome and encourage feedback at all stages of this process. Please send any questions/comments regarding this plan through our <u>Open Consultation</u> <u>Portal</u>, noting that all feedback will be anonymised and published online.





FORWARD PLAN

Development

Consultation on intent and draft revised standard, if any

We seek fairness and inclusiveness through consultation. Our goal is for all stakeholders to provide feedback and be heard. In this, we aim to secure strategic insight, build consensus and earn credibility.

To this end, stakeholders will have until <u>September 2025</u> to comment on this statement of intent, which they can do through our <u>Open Consultation Portal</u>. Following this, a draft revised standard will be developed and made available for public consultation over a 60-day period running from late 2025 to early 2026. We will also seek input from CABs to ensure that any new Standard is credible/works in practice. Special focus will be towards overcoming language barriers to receive feedback from traditionally underrepresented stakeholders.

Publication

We aim to complete this review before May 2026. Before then, stakeholders can expect any new Standard with all supporting guidance, summaries and training materials, and a document that outlines the feedback we received from stakeholders and how it was considered. Translations of key documents will follow.

Effective dates and transition timelines

The sector will be given until six months after publication to become familiar with the new Standard. From this date (the 'effective' date), all new scope certificates will need to be against the new Standard, or they will not be able to get a new SFA Chain of Custody certificate. Since scope certificates last for three years, we would expect all old scope certificates to have expired by November 2029, meaning that all entities will have to be certified against the new Standard by then. If the scope of the Standard expands to include more processors in the value chain, these entities will be given three years from the effective date to become certified.

CONSIDER INTENT

- Completed by Sept. 2025

DRAFT CONSULTATION

- Completed by January 2026 -

PUBLICATION

- May 2026 -

EFFECTIVE

- All certificates on new Standard Nov 2026 -

TRANSITION

- All processors in value chain certified by November 2029 -