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OPERATIONAL SUMMARY

SUSTAINABLE FIBRE ALLIANCE MONGOLIA

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Director's Statement

Since its establishment, the Sustainable Fibre Alliance (SFA) has been at the forefront of advancing sustainable production and value chain development within the cashmere sector, and now marks its tenth year, distinguished by a wealth of experience, achievements and success.

Founded in 2015 with the participation of a small number of member brands and manufacturers, the Alliance has expanded year by year. Today, united by shared goals and values in pursuit of sustainability in the cashmere industry, its membership comprises more than 100 brands and manufacturers across over 20 countries worldwide; more than 400 enterprises engaged in certified cashmere trading and sales participating in the traceability system; over 20,000 herders from more than 210 herder organisations across 17 provinces of Mongolia; and more than 15,000 farmers in the People's Republic of China, all of whom are integrated into the SFA supply chain.

In collaboration with all industry stakeholders, the SFA has revised and further developed its system of good practice—originally created and implemented through joint consultation—into a next-generation standards framework aligned with market demand and the growing expectations of consumers, which was introduced into practice in 2025. At the level of herders, herder cooperatives and primary suppliers, the SFA's **"Animal Fibre Standard"** is implemented; at the primary cashmere processing stage, the **"Clean Cashmere Processing Standard"** is followed. Furthermore, the SFA's **"Chain of Custody Standard"** ensures full traceability of SFA Certified cashmere originating from Mongolia throughout processing, transportation, storage, trade and sales.

Over the past year, we have implemented the following tangible and impactful initiatives to ensure compliance with standards, strengthen the cashmere value chain, and foster long-term sustainable partnerships.

In particular:

- A total of 61 cooperatives in Mongolia implemented the world's leading voluntary comprehensive standard for sustainable production in the cashmere sector. Of these, 53 cooperatives supplied more than 1,100 tonnes of certified raw cashmere to 17 domestic factories and enterprises. As a result, these factories exported 527 tonnes of dehaired cashmere and 3.3 tonnes of cashmere yarn, generating export revenues of USD 40 million for the Mongolian economy.
- At the same time, we placed strong emphasis on strengthening herders' capacity. Within the framework of the SFA's activities, standard training sessions were organised across more than 50 soums in 12 provinces, reaching 743 herders from 64 cooperatives. In addition, 627 herders from 34 cooperatives participated in training in accordance with Mongolia's national occupational standard for "Herder".
- Furthermore, the "Supporting Sustainable Wool and Cashmere Supply" green loan programme, implemented in partnership with Khan Bank, was successfully delivered for the fourth consecutive year. Under this programme, 24 SFA-certified cooperatives received MNT 10.7 billion in financing to support cashmere preparation and supplied their produce to certified contracted factories.

Each achievement presented in this report is the result of the collective efforts of SFA members and partners. We extend our sincere gratitude for your steadfast engagement, trust and support. We remain confident that, guided by the principles of transparency, accountability and continuous improvement, we will continue to advance the sustainable development of the cashmere sector together.

VANDANDORJ Sumya
Country Director
SFA Representative Office in Mongolia

About SFA

Our Vision

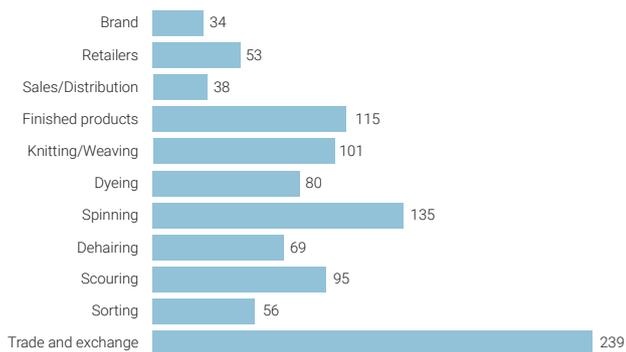
To establish a responsible and inclusive international natural fibre industry that is environmentally sustainable, ensures high standards of animal welfare, and supports secure and sustainable livelihoods for herders.

Our Mission

To reduce the environmental impact of cashmere and other animal fibre production, to support and strengthen herders' livelihoods, and to ensure compliance with animal welfare standards.

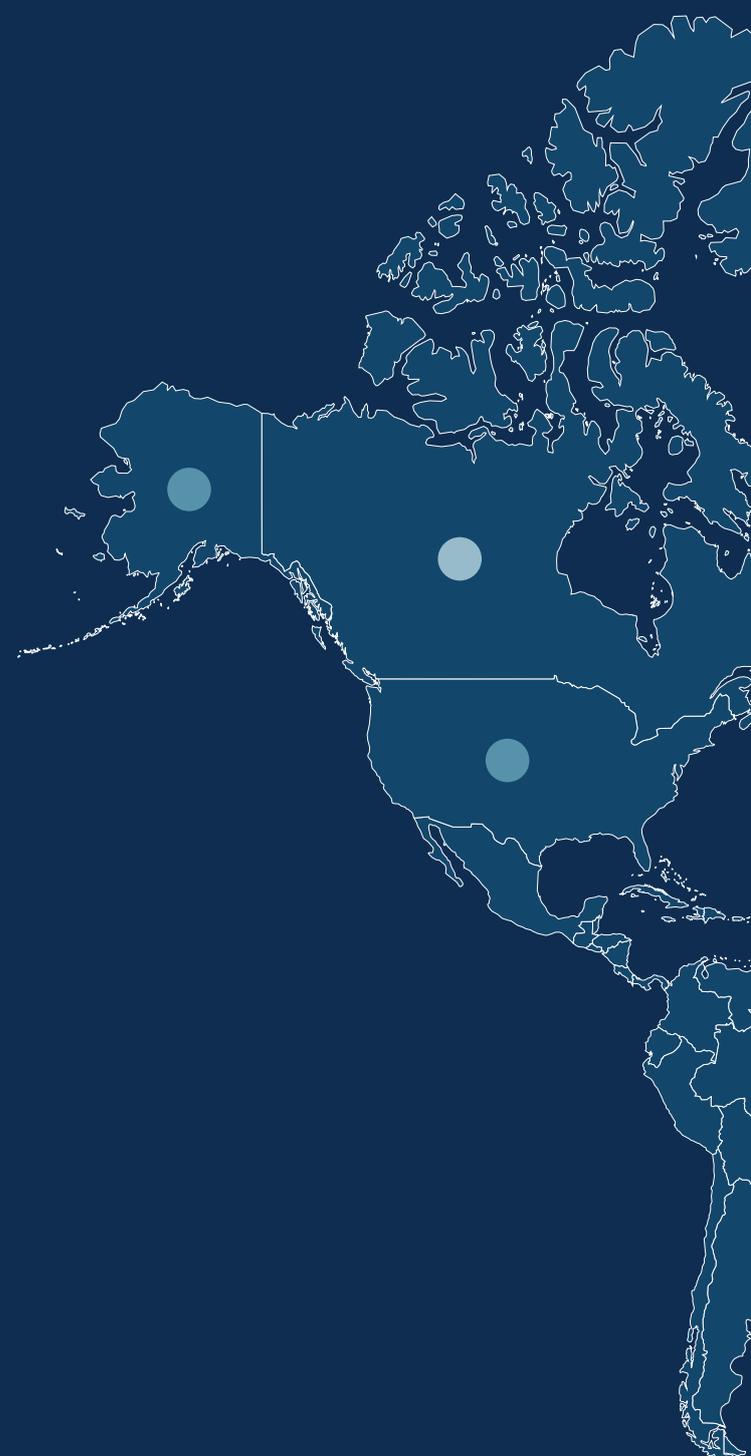
Membership Scope

The SFA's membership spans the full cashmere value chain, encompassing herders and herder organisations engaged in the production and supply of cashmere, as well as traders, processors and manufacturers, through to major brands and enterprises.



Presented below is a classification of registered organisations according to the type of activity they undertake within the cashmere supply chain (categories may overlap).

As of 2025, a total of 633 enterprises from 27 countries are officially registered with the Sustainable Fibre Alliance. Of these, 119 organisations are Full or Associate Members of the SFA, while 247 participate as entities within the Chain of Custody system.





The organizations registered with the SFA have been categorized by location

SFA Standards System

The Sustainable Fibre Alliance (SFA) has developed and implemented an internationally recognised, practical standards system specifically for the wool and cashmere sector.

This system provides a comprehensive framework designed to safeguard herders' livelihoods, ensure animal welfare, promote responsible pasture management, guarantee raw material quality, and uphold transparency and traceability throughout the supply chain.

SFA standards offer clear requirements, assessment criteria, and certification procedures to enable herder organisations, cooperatives, processing factories, and brands to implement responsible production in practice. When independently verified by an accredited Conformity Assessment Body (CAB), SFA Certified cashmere is recognised in Mongolia and internationally as having fully complied with the SFA standards for livestock management, primary processing, storage, and traceability.

Built on principles of multi-stakeholder participation and continuous improvement, this standards system supports environmentally sustainable traditional herding practices while providing a tangible mechanism to meet the growing demands of international markets and promote long-term sustainable development in the sector.





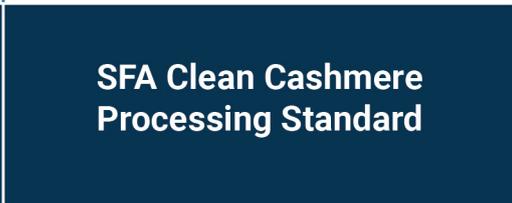
At the Level of Herders and Cooperatives



Across all the supply chain

SFA Animal Fibre Standard

SFA Chain Standard



Updated Standards

These standards have been developed under the initiative and leadership of the Sustainable Fibre Alliance (SFA), with the active participation of herders, cooperatives, cashmere factories, brands, researchers, industry experts, professional organisations, and international bodies. They are based on extensive research and consultative processes. The first version of the standards was piloted in 2017, and since then they have been continuously refined based on lessons learned, evaluations, and stakeholder feedback.

At the Level of Herders and Cooperatives

What is the SFA Animal Fibre Standard?

This standard defines best practices for responsible cashmere and other animal fibre production. Targeted at producers—including herders, cooperatives, and farmers—it addresses the most pressing sustainability challenges associated with raw cashmere preparation and sets out the expected outcomes achievable through its implementation.

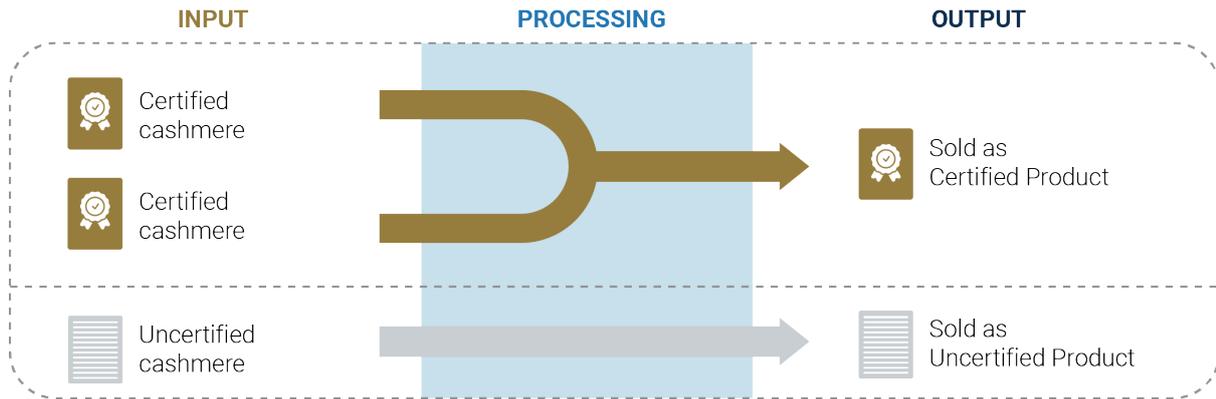


The Five Core Principles of the SFA Animal Fibre Standard

| [Link: See SFA Animal Fibre Standard \(v.1.01\)](#)

Across all stages of the supply chain

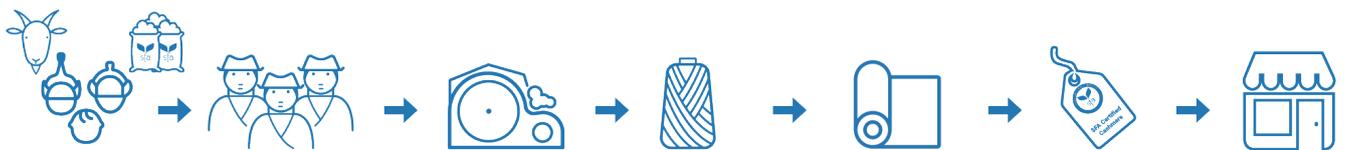
The **SFA Chain of Custody Standard** covers the requirements for the origin, sale, processing, segregation, storage, and transportation of materials and products certified under SFA Standards.



Segregated Chain of Custody Model

Under this standard: Certified raw materials must be physically and documented as separated from non-certified materials at every stage of the supply chain. They must be stored and processed independently to maintain integrity.

Input and output monitoring is conducted throughout processing, and each sale of certified product is verified with a Transaction Certificate (TC). This ensures full traceability and accountability for SFA Certified products.



Key certification documents include:

- *Conformity Certificate – Official verification issued by an accredited Conformity Assessment Body confirming that an enterprise meets one or more SFA Standards and is capable of producing, supplying, processing, and selling SFA Certified cashmere.*
- *Transaction Certificate (TC) – A document confirming that products exchanged between enterprises are SFA Certified.*

| **Link: See [SFA Chain of Custody Standard \(version 1.1\)](#)**

At the primary processing level of cashmere production
What is the SFA Clean Cashmere Processing Standard?

The Clean Cashmere Processing Standard applies to primary processing facilities engaged in sorting, washing, and dehairing raw cashmere. The standard covers environmental, social, supply chain, and business operation requirements relevant to these processes. Each facility is responsible for implementing the standard across all departments and units involved in the operations it carries out. Key Requirements of the Clean Cashmere Processing Standard

The standard focuses on several critical areas, including:

- Restricting or eliminating the use of hazardous chemicals, such as APEOs.
- Promoting efficient use of water and energy throughout processing operations.
- Ensuring worker health, safety, and fair labour conditions in line with responsible business practices.

| **Link:** See [SFA Clean Cashmere Processing Standard](#)



How Are SFA Standards Implemented?

Certification under SFA Standards is voluntary. When a herder organisation, cooperative, factory, or other supply chain participant meets the requirements, their raw materials are recognised as SFA Certified and can be marketed with the official SFA label.

This ensures that certified cashmere meets the standards for responsible and sustainable production while providing traceability and credibility in the marketplace.

SFA Standards Revision (2015–2025)

2015–2016

- The SFA developed the first versions of Codes of Practice for responsible pasture use and sustainable livestock management, including best practices for cashmere preparation.

2017

- The SFA established the world's first comprehensive standards system for the cashmere sector.
- Two Codes of Practice were developed as the core foundation, defining best practices for livestock management and pasture stewardship.

2018

- The first verification of SFA Codes of Practice was carried out in Mongolia.

2019

- The scope for implementing SFA Codes of Practice was defined in Inner Mongolia, China.
- Implementation of the SFA Clean Cashmere Processing Code of Practice began.

2020

- The Chain of Custody system was successfully piloted, tracing 90 tonnes of raw cashmere through the supply chain.
- SFA, in partnership with ICCAW, introduced best practices for goat care and herding in China.

2021

- The SFA became a Community Member of ISEAL.
- The first SFA Certified products were launched in stores across Mongolia and Europe.





2022

- The SFA Cashmere Standard was established by integrating the requirements of the two Codes of Practice. This created conditions for adapting and implementing the standard for cashmere producers in geographically diverse countries, including Mongolia, China, Iran, and Afghanistan.

2023

- The SFA Cashmere Standard, incorporating the responsible production requirements applied at the level of herders and cooperatives in Mongolia and China, was officially launched for global implementation.
- The standard is founded on the five global principles of responsible cashmere production and provides a comprehensive, outcome-based framework for sustainable practices.

2024

- The SFA Cashmere Standard (v1.0) was revised and formally integrated into the SFA Animal Fibre Standard.
- This revision resulted from an extensive multi-stakeholder consultation process conducted between 2022 and 2024 and created the opportunity to extend SFA standards to other animal fibre sectors.

2025

- The updated versions of the SFA Animal Fibre Standard and the Chain of Custody Standard were implemented, marking the start of their full application across the supply chain.

Certification and Traceability

Certification System

Today, any business can place a logo or certification claim on its products, but such claims are not necessarily reliable and may reflect only the company's own interests rather than independent verification.

To address this, the Sustainable Fibre Alliance (SFA) implements a third-party certification system. Under this system, an independent Conformity Assessment Body (CAB) evaluates each enterprise against SFA Standards and decides whether it can be recognised as SFA Certified. This decision is not made by the SFA itself nor by the participant, reducing conflicts of interest and ensuring transparency and trust in the certification process.

As a result, the SFA certification system supports the creation of a credible and responsible supply chain, generating tangible positive impacts on the environment, herders' livelihoods, and market confidence.

Third-Party Certification

SFA Standards are verified through a four-stage process to ensure compliance and credibility:

Stage 1: Self-Assessment

- All herder organisations and processing facilities conduct a self-assessment against SFA Standards.
- Independent oversight and guidance are provided to support accurate reporting (aligned with ISEAL best practices).

Stage 2: Independent Evaluation

- Internal verification by the SFA or its partners.
- Annual sampling and assessment of herder groups to confirm compliance.

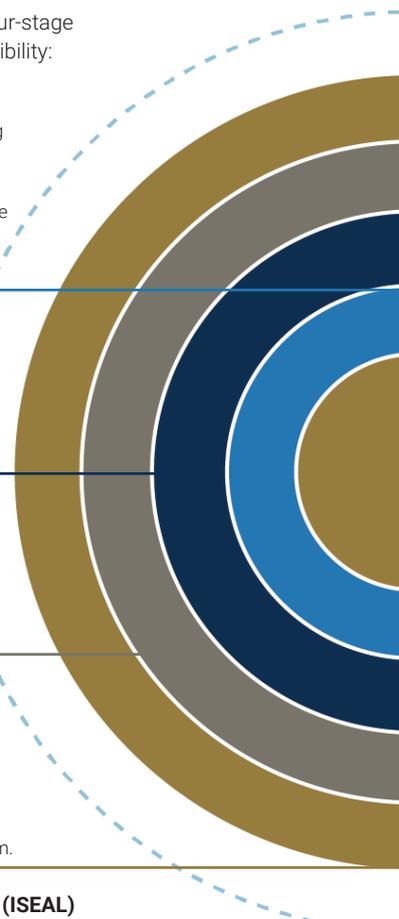
Stage 3: Third-Party Audit

- Conducted for all participating entities.
- Performed by independent assessment professionals to verify adherence to standards.

Stage 4: External Oversight / Accreditation Body

- An independent accreditation body evaluates and monitors all Conformity Assessment Bodies (CABs).
- Ensures impartiality, transparency, and reliability across the certification system.

Independent Oversight and Evaluation (ISEAL)



Audit and Conformity Assessment

In 2025, Nexus Connect LLC and SFS LLC, as Conformity Assessment Bodies (CABs), conducted conformity assessments, audits, and related activities under the SFA certification system in accordance with approved procedures.

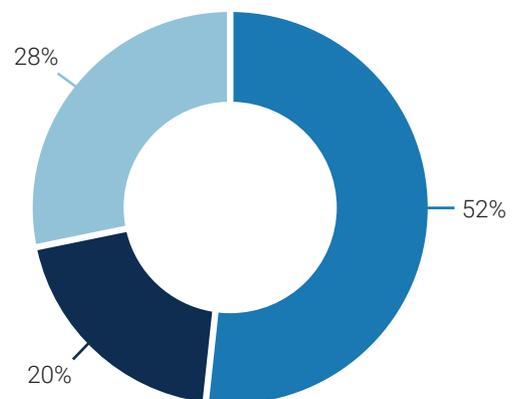
On 30 March 2025, the SFA Animal Fibre Standard came into effect, and the official transition from the SFA Chain of Custody Guidance to the Chain of Custody Standard was initiated.

With the launch of the new standard, 2025 served as a transition year, focusing less on expanding the number of certified organisations and more on increasing understanding of standard requirements and preparing participants for full implementation.

During the reporting period, a total of 46 audits were conducted, including initial and follow-up assessments of herder cooperatives, suppliers, and cashmere processing facilities. Audits and third-party evaluations were carried out both on-site and remotely, taking into account scope, location, and logistical considerations.

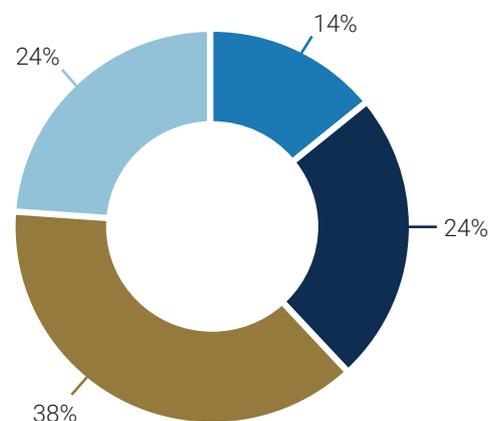
Types of Audits Conducted For Herder Organisations:

- Follow-up Assessment – C001 and C002 Codes of Practice (up to 30 March 2025)
- Initial Assessment – Chain of Custody Standard
- Initial Assessment – Animal Fibre Standard



For Factories and Enterprises:

- Initial Assessment – Clean Cashmere Processing Standard
- Follow-up Assessment – Clean Cashmere Processing Standard
- Initial Assessment – Chain of Custody Standard
- Follow-Up Assessment – Chain of Custody Standard



SFA Chain of Custody

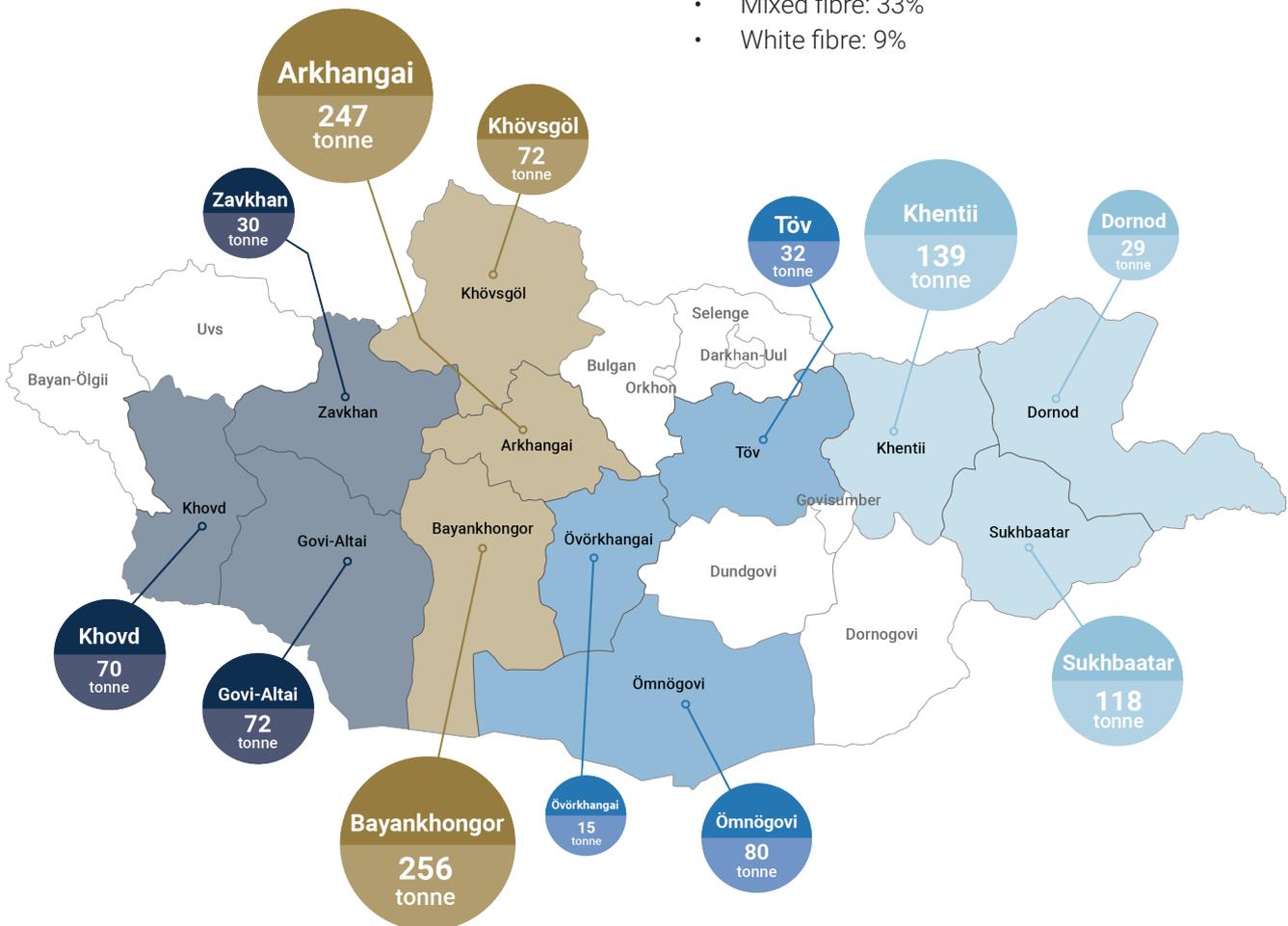
The Sustainable Fibre Alliance (SFA) has developed and successfully implemented the Chain of Custody Standard to trace the origin of cashmere across the supply chain, from herders and cooperatives to ensure transparency and accountability.

The SFA Chain of Custody system includes not only herders, cooperatives, and primary processing facilities but also traders and brands involved in the sale of certified cashmere.

In 2025, visualisation of cashmere origins on the electronic traceability platform shows that Arkhangai, Bayankhongor, Khentii, and Sukhbaatar provinces produced the largest volumes of certified raw cashmere, with certified materials from 12 provinces recorded on the platform.

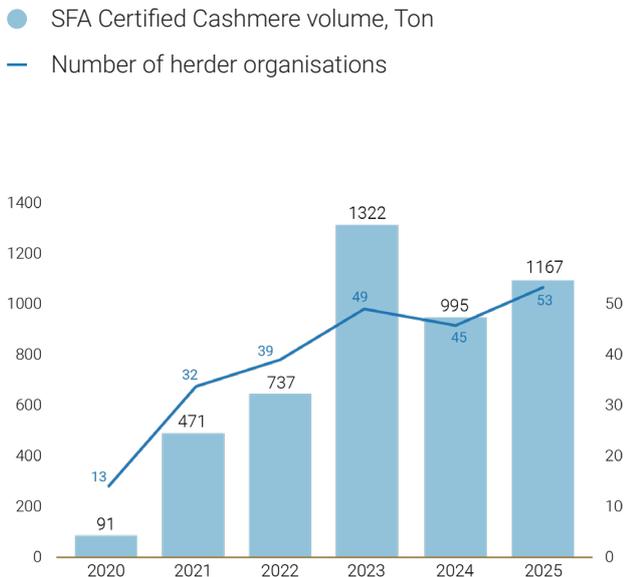
By fibre type, the distribution of certified cashmere is approximately:

- Dark fibre: 18%
- Light fibre: 40%
- Mixed fibre: 33%
- White fibre: 9%

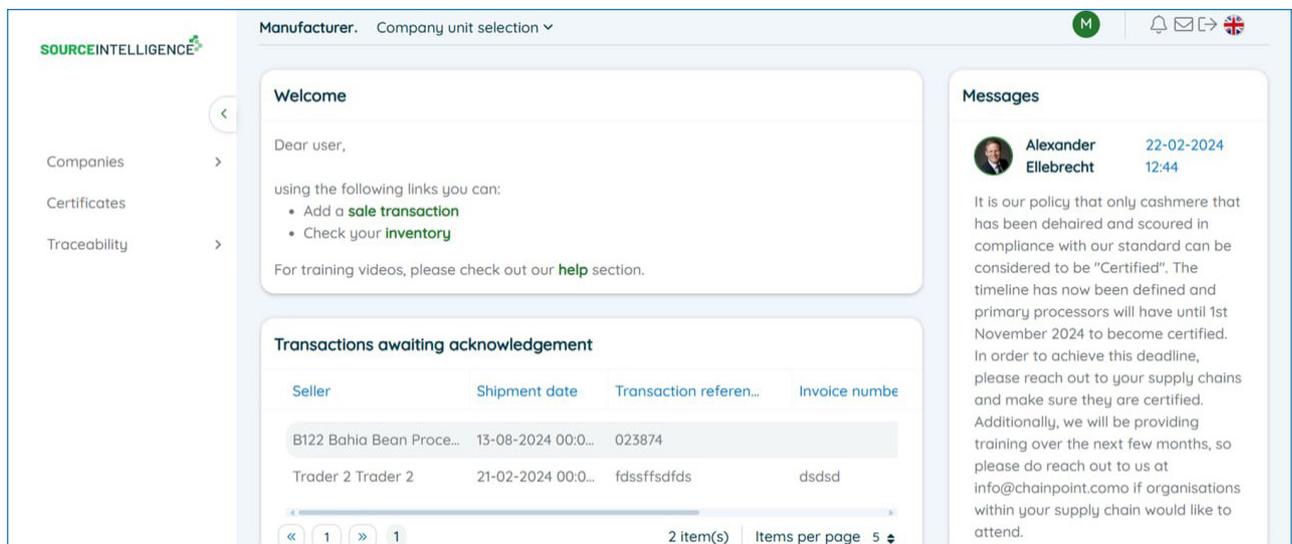
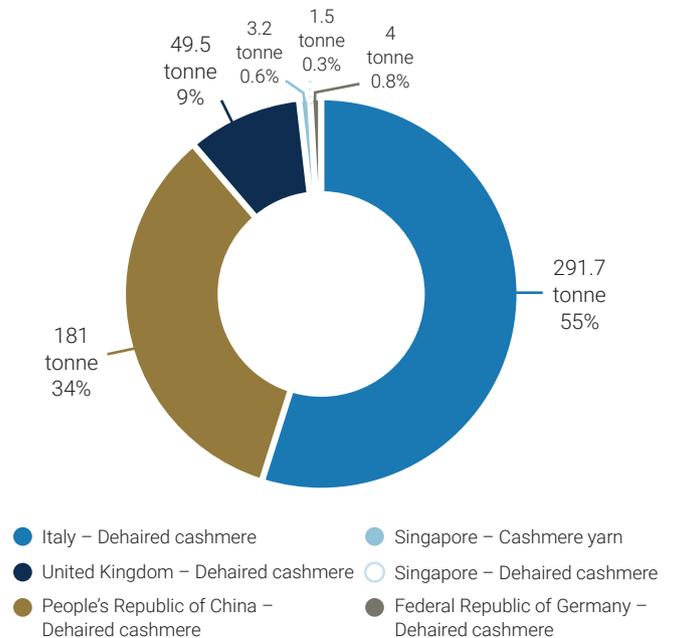


Origin and Regional Distribution of SFA-Certified Raw Cashmere in 2025

Participants in the SFA Chain of Custody System and Volume of Certified Raw Cashmere (2020–2025)



Buyers of "SFA Certified" Cashmere (by Country)



SFA Threads Electronic Traceability Platform - <https://sfa-threads.com/login/>

Since introducing Salesforce into its Chain of Custody system in April 2021, the SFA’s members have actively integrated it into their operations, enabling centralised monitoring of all certified cashmere sales and certification records.

From 2026 onwards, the SFA will launch its enhanced electronic traceability platform, SFA Threads, replacing paper-based Transaction Certificates (TCs) and enabling the digital recording of cashmere origin, sales, inventory, and transaction data.

Training and Capacity Building

SFA Standards Training for Herders

This training programme is designed for cooperatives and herders interested in implementing SFA Standards within their own operations. It introduces the requirements of the SFA Standards and raises awareness of both the necessity and the opportunities associated with compliance.

The primary objective is to support herders in improving animal health and welfare, husbandry practices, pasture management, and the quality of raw material preparation in line with the standards. By strengthening implementation, the programme aims to generate positive impacts on herders' livelihoods, society, and the environment.

In 2025, a total of 16 training sessions were delivered across more than 50 soums in 12 provinces, reaching 743 herders from 64 cooperatives. Of these, over 580 herders participated in in-person local training sessions, while 160 herders attended online training and gained knowledge of the standards.

During the training sessions, it was observed that herders have a strong need for knowledge and practical guidance on how to sustain traditional nomadic livestock practices, protect pastureland and the environment under changing climate conditions, increase economic returns, manage livestock responsibly, and identify viable solutions.

In response, the SFA is working to expand its online training platform, providing herders with access to relevant learning materials regardless of time or location, thereby meeting their growing demand for practical information and continuous learning opportunities.



Overview

Training for Cooperative Chairs:

Through 10 online training sessions, a total of 163 cooperative chairs (including repeat participation) received training.

Herders' Training:

More than 580 herders from around 10 soums across 7 provinces participated in in-person training sessions.



Khövsgöl Province – Mörön Soum – “Khyazgargüi Telekh Tseg”, “Khogorgo



Short-Term Competency-Based Training Programme for the “Herder” Occupation

The Nutag Action Research and Training Center NGO (NART), with funding from the Sustainable Fibre Alliance (SFA), organises a range of training programmes aimed at enhancing the knowledge and skills of herders and livestock producers from member cooperatives. These programmes promote the principles of sustainable development and educate younger generations in environmentally responsible and sustainable livestock husbandry practices.

In accordance with vocational education regulations, competency-based training curricula for the occupation of “Herder” were developed and formally approved by the Institute for Training, Assessment and Research in Labour and Social Protection under the Ministry of Education.

In 2025, a total of 596 herders from 34 cooperatives, along with 31 non-member herders, actively participated in the competency-based “Herder” training programme. Participants were drawn from:

- Choibalsan city and Khölönbuir soum (Dornod Province);
- Bayandelger and Munkhkhaan soums (Sukhbaatar Province);
- Erdenesant soum (Töv Province);
- Khotont, Tsetserleg, Erdenemandal and Ölgii soums (Arkhangai Province);
- Bayankhongor soum (Bayankhongor Province); and
- Mörön soum (Khövsgöl Province).

This competency-based training programme is designed to disseminate best practices in cashmere production and to support the implementation of SFA Standards. Participating herders are applying the knowledge and experience gained directly within their own livestock operations.



Tengis” and “Tunamal Molor Erdene” cooperative herders



Participants in the “Cashmere Partnership – 2025” Event

Key Features of the Cashmere Connect Event:

- **Collaboration:** Brings together herders, cooperatives, processing factories, and other stakeholders to work jointly toward ensuring the sustainability of the cashmere sector, reducing risks, and protecting the environment.
- **Knowledge Sharing:** Promotes sustainable practices across all stages of production by disseminating best practices in responsible livestock management, pasture stewardship, and ethical raw material preparation.
- **Capacity Building:** Enhances business operations and skills of herders and cooperatives through training, certification programmes, and technical support.
- **Sustainability Standards:** Implements SFA’s Animal Fibre Standard, Clean Cashmere Processing Standard, and Chain of Custody Standard to foster ethical and responsible production.

17th February 2025

Cashmere Connect 2025

The 2025 edition of Cashmere Connect, was held as part of the SFA’s annual programme. The event brought together 12 cashmere processing factories and enterprises and 35 herder cooperatives from across Mongolia.

Key participants included:

- Una Jones, Executive Director of the SFA,
- Representatives from ICCAW (International Cooperation Committee for Animal Welfare, China),
- Dr. Julie Garner, founder of The Odyssey Conservation Trust (OCT), and
- Representatives from the LIFE Livestock Sector Project and the “Sustainable Steppe Landscapes and Biodiversity Conservation in Eastern Mongolia” project.

The event aimed to strengthen relationships and partnerships among participants in the certified cashmere supply chain, facilitate the exchange of information on cashmere quality, storage, transportation, and financial matters, and create new opportunities for collaboration.



Factories and Cooperatives Participating in “Cashmere Connect 2025”

4th July 2025

Meeting of SFA Member Processing Factories in Mongolia

At the meeting of SFA member processing factories in Mongolia, Una Jones, Executive Director of the SFA, presented the Alliance's strategic updates, policy directions, international collaborations, and ongoing research projects, highlighting future objectives to strengthen the sustainability of the sector.

She also invited members to participate in the pilot of the SFA Threads traceability platform, emphasising its importance for tracking raw material records, purchases, and ensuring transparent supply chain oversight.

The SFA shared that it has begun consultations with stakeholders to update its strategic document through 2030, defining its vision, values, and impact roadmap.

In addition, the meeting introduced research projects implemented in collaboration with international organisations and the development of the Herder Connect e-learning platform.

During the meeting, the SFA confirmed its support for the participation of Mongolian sector representatives at the Natural Fibre Connect 2025 international conference, noting that the event—attended by over 300 global delegates—represents a key opportunity to advance sector development and expand international cooperation.



During the Meeting of SFA Member Processing Factories in Mongolia

8, 9th July 2025

International Rangelands Stewardship Council (RSC) – Mongolia Economic Forum 2025

The SFA, in collaboration with the International Rangelands Stewardship Council (RSC), participated in the Mongolia Economic Forum 2025, contributing to discussions on sustainable rangeland management at both national and international levels.

As part of the forum, the “Business4Land” roundtable brought together government, private sector, and international organisations to explore solutions for combating land degradation, desertification, and drought risks, transforming these challenges into development opportunities, and strengthening sustainable land and water management practices.

A second meeting, co-organised by the SFA, the Business Council of Mongolia (BCM), and the UN Convention to Combat Desertification (UNCCD), focused on key topics including:

- Achieving Land Degradation Neutrality (LDN) in Mongolia,
- Responsible rangeland financing mechanisms,
- Introduction of the Global Rangeland Standard, and
- Inclusive development models.

During the meetings, preparations for COP17 and the International Year of Rangelands and Pastoralists were also discussed and aligned with strategic priorities.



International Rangelands Stewardship Council (RSC) – Mongolia Economic Forum 2025

1st September 2025

Rangeland Monitoring Methodology Presentation and Discussion

With funding from the Global Environment Facility (GEF) through the Sustainable Investments in Large-Scale Rangeland Restoration (STELARR) project, the SFA, in collaboration with international experts from the World Agroforestry Research Centre (ICRAF), successfully organised a presentation and discussion on rangeland monitoring methodologies in Ulaanbaatar.

The event focused on evaluating the impact of projects, improving rangeland monitoring methods, and strengthening coordination, information exchange, and collaboration among government, private sector, and international stakeholders. Modern methodologies for assessing rangeland condition, desertification, soil degradation, and biodiversity were presented, and experiences were shared.

Additionally, the SFA shared information on the Land Use and Biodiversity principles of its Animal Fibre Standard.

The event played a key role in enhancing rangeland monitoring practices, facilitating knowledge exchange, and exploring future collaboration opportunities. The main outcomes highlighted were the improved mutual understanding, knowledge, and skills among participating stakeholders.



During the Rangeland Monitoring Methodology Presentation and Discussion



During the Field Training on the “Land Degradation Surveillance Framework” in Sukhbaatar and Munkhkhaan Soums, Sukhbaatar Province

This methodology was originally developed by the World Agroforestry Research Centre (ICRAF) and has been implemented in over 40 countries worldwide since 2005. The Land Degradation Surveillance Framework (LDSF) is a science-based approach for assessing soil and land degradation. Its distinctive feature is the ability to evaluate vegetation assemblages and the historical changes in land degradation, making it suitable for baseline assessments at the landscape level, evaluating land degradation status, and supporting monitoring and evaluation programmes.

5th September 2025

Field Training on the “Land Degradation Monitoring System” Methodology

The SFA, under the Sustainable Investments in Large-Scale Rangeland Restoration (STELARR) project funded by the Global Environment Facility (GEF), in collaboration with international experts from the World Agroforestry Research Centre (ICRAF), organised a field training on soil and rangeland monitoring using the Land Degradation Surveillance Framework (LDSF) on 3–4 September 2025 in Sukhbaatar and Munkhkhaan soums, Sukhbaatar Province.

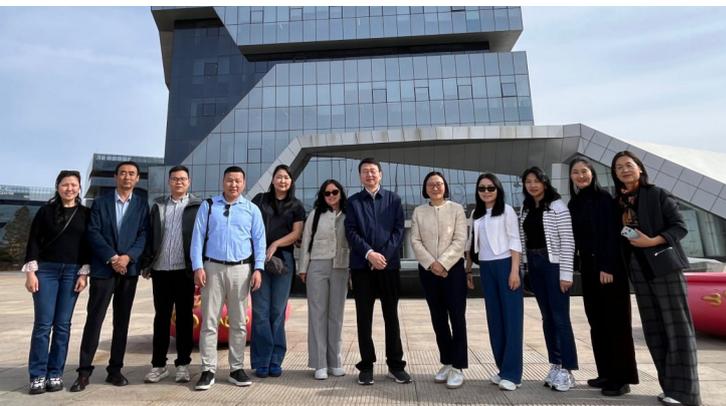
The training brought together over 20 local participants, including rangeland specialists, environmental officers, land stewards from the Governor’s Offices of Baruun-Urt, Munkhkhaan, Bayandelger, Sukhbaatar, and Dariganga soums, as well as agricultural meteorology specialists from local weather stations. Researchers from National University of Mongolia, the Institute of Meteorology, Hydrology and Environmental Studies (IMHES), and the Botanical Garden Institute also took part.

The training was led by S.Vandandorj, Director of the SFA Mongolia Representative Office, along with Dr. Thor Wagen and researcher Christine Magaju from ICRAF. This event marked the first-ever field training in Mongolia on the methodology of the Land Degradation Surveillance Framework (LDSF), making it a notable milestone.





During the knowledge exchange training in China, among ICCAW, Conformity Assessment Bodies who conduct evaluations against SFA standards, training institutions and the SFA Mongolia team.



ErDOS Cashmere Group. Inner Mongolian Autonomous Region of the People's Republic of China, Ordos city,

18th February 2025

ICCAW & SFA: Joint Knowledge Exchange

At the beginning of 2025, the International Committee for the Care and Welfare of Animals (ICCAW) visited Mongolia and, in collaboration with the Sustainable Fibre Alliance (SFA), successfully organised training and knowledge exchange activities for Conformity Assessment Bodies (CABs) and training institutions.

During these sessions, best practices for implementing the SFA–ICCAW standards were shared, including practical examples of farm audits, chain of custody monitoring, and methods to improve animal welfare. A particular highlight was the sharing of effective approaches and methodologies drawn from experiences in China to strengthen herder capacity and promote livestock management practices that ensure animal welfare.

As part of the programme, ICCAW, SFA, and CAB representatives conducted a shadow audit at a local Mongolian cooperative, providing practical training and reinforcing the quality of certification processes—significantly enhancing participants’ knowledge and skills.

Following this, the SFA Mongolia team, along with CAB and training institution representatives, visited China to participate in workshops, meetings, and knowledge exchange events with ICCAW and local wool companies and CABs. The focus was on strengthening the joint SFA wool programme, deepening understanding of standard implementation, and improving factory and farm audit practices.

These initiatives helped disseminate best practices in sustainable and ethical cashmere production, animal welfare, traceability, and certification, while fostering collaboration among sector stakeholders and supporting the effective implementation of standards.

22, 23th September 2025

Natural Fibre Connect 2025

On 22–23 September 2025, the fourth Natural Fibre Connect was held in Edinburgh, bringing together key stakeholders from the global natural fibre sector to discuss cross-sectoral approaches to sustainability, regenerative economies, policy, and collaboration. The event gathered over 165 in-person delegates from 27 countries and more than 1,000 online participants, featuring 21 sectoral sessions and 48 international presentations and panel discussions to explore the future trends, opportunities, and challenges in natural fibre production.

On the first day, a panel titled “Farmers and Herder Perspectives” highlighted the voices of farmers and herders, discussing solutions to common challenges they face. Peter Ackroyd, Director of the Campaign for Wool, and LaRea Pepper, Adviser at Textile Exchange, emphasised the importance of the dialogue and encouraged participants to move towards practical collaboration and effective action.

The second day focused on rangeland management, land use, restoration, and cultural heritage conservation. SFA Executive Director Una Jones shared Mongolia’s experiences, highlighting the significance of rangeland management, herder livelihoods, and sustainable cashmere production. Representatives from UNCCD and other international organisations noted the importance of linking collaboration, transparency, scientific research, and sectoral models to rangeland restoration solutions.

The conference also included a tour of Edinburgh and Scotland’s traditional textile heritage, with participants visiting Old Leckie Farm, Lochcarron of Scotland, Johnstons of Elgin, and The Great Tapestry of Scotland, gaining first-hand insight into the sector’s cultural legacy. The event provided a platform to discuss collective impact, the role of participants, and opportunities for collaboration in supporting the sustainability of the natural fibre industry.



After the main conference, participants took part in a tour of Scotland’s textile mills and cultural heritage sites.



During the discussions at the fourth Natural Fibre Connect held in Edinburgh.



Students who participated in the “Young Herder” programme at the secondary school in Delgerekh soum, Dornogovi Province.



Students who participated in the “Young Herder” programme at the secondary school in Erdenesant soum, Tuv Province.

“Young Herder” Programm

The “Young Herder” elective learning programme is designed to provide secondary school students with step-by-step knowledge on running sustainable livestock operations that are science-based, environmentally friendly, and respectful of cultural heritage. Since its launch in 2019, the programme has reached 1,437 students across 33 secondary schools in 14 provinces (duplicated count) as of 2025.

In the 2024–2025 academic year, the programme was successfully delivered over 1.5 years, tailored to students interested in herding, animal science, veterinary studies, biology, and ecology. A total of 180 students from secondary schools in Bayan-Uul (Govi-Altai), Delgerekh (Dornogovi), Erdenedalai (Dundgovi), Burd (Övörkhangaï), Saikhan (Selenge), and Erdenesant (Töv) participated.

As part of the programme, students organized a drawing competition on climate change adaptation, participated in protecting local water sources with the support of schools, soum governors’ offices, teachers, and peers, and prepared compost fertilizer while maintaining green spaces in their schools.

Additionally, in Delgerekh soum (Dornogovi) secondary school held “New Century Herder: Nomadic Traditions and Camel Culture”, event and Erdenesant soum (Töv), students took part in an eco-tour to explore local natural and historical landmarks.

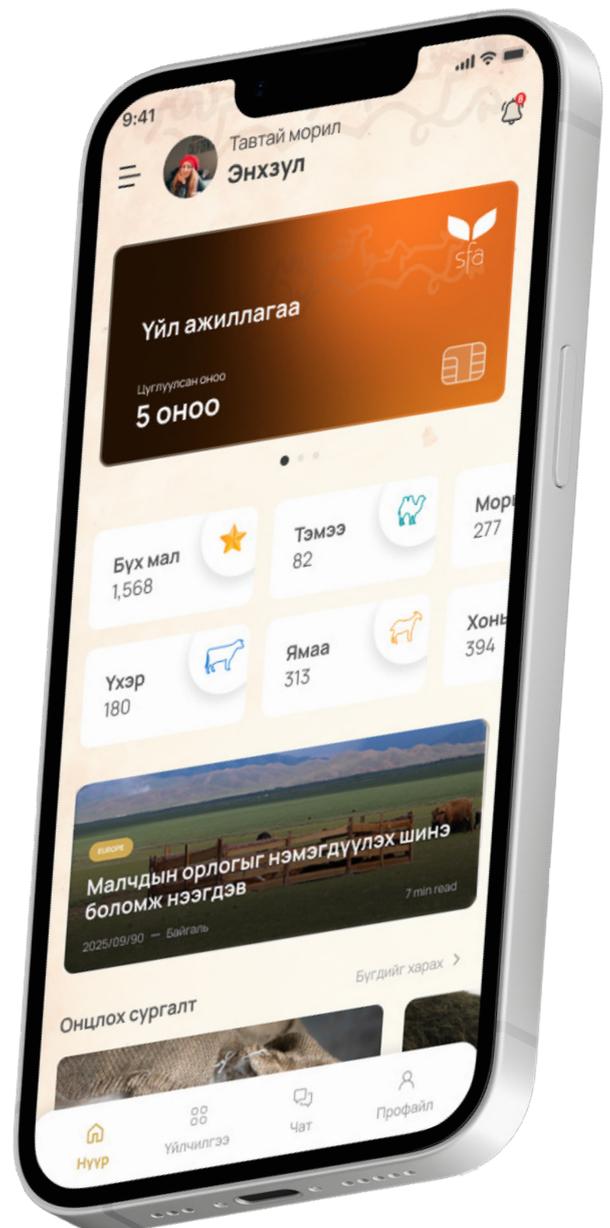
Herder Connect: A project using digital technology to build the capacity of herder organizations producing animal-derived natural fibres

The Herder Connect project aims to increase herders' access to knowledge and information and support sustainable livelihoods and responsible livestock management by connecting herders, cooperatives, experts, and relevant service providers on a single platform. Within the project, a solution has been developed to centralize various opportunities for herders, including training, information, market access, veterinary services, and financial literacy.

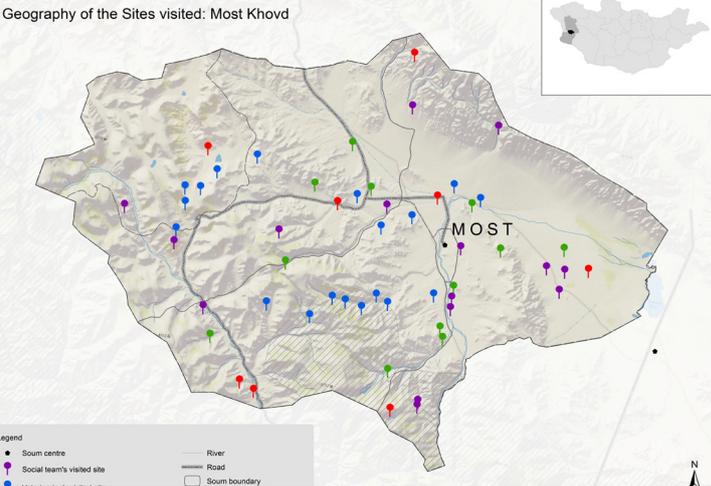
In 2025, the project focused on establishing the platform's overall structure, conducting a user-needs assessment, presenting an initial introduction, and holding meetings with stakeholders, laying the foundation for further development. The implementation of the project is expected to improve herders' access to information, expand the reach of training and services, and contribute concretely to sustainable rangeland management and herders' income sources.

What herders can do through the app:

- Access training on standards, finance, and skills
- Submit their own evaluation reports
- View news and updates related to themselves and SFA
- Check weather information
- View and download standard certificates, and receive notifications when they are about to expire
- Post and browse announcements
- Enter and view pricing information for livestock products



"Herder" Application



The project “Supporting Traditional Ecological Knowledge Based on Herders’ Participation”

The “Supporting Traditional Ecological Knowledge Based on Herders’ Participation” (TEK-Herder) project is implemented in Möst soum, Khovd province, funded in collaboration with ISEAL Alliance and Sustainable Fibre Alliance (SFA). The project focuses on integrating herders’ traditional ecological knowledge (TEK) into rangeland monitoring to better measure the impacts of natural resource management.

Its objectives include:

- Studying methods to incorporate herders’ ecological knowledge into pasture monitoring.
- Developing practical approaches for implementing these methods in local rangelands.
- Addressing challenges of current pasture monitoring in Mongolia, which is often high-cost and may not accurately represent all herders or rangeland types.

The research team visited diverse rangeland types across all administrative units of Möst soum and gathered detailed data on livestock management, grazing patterns, and pasture monitoring practices.

Key insights include:

- Rangeland monitoring point selection must consider multiple factors, as vegetation composition varies widely, ecosystems are heterogeneous, and small differences in precipitation can significantly affect assessment results.
- Effective pasture monitoring requires not only technical data but also systematic use of herders’ traditional knowledge.
- Integrating TEK helps detect pasture degradation and climate risks early and ensures that policy decisions better reflect local realities, supporting both sustainable grazing and resilient pastoral livelihoods.

This approach highlights the critical role of herders’ knowledge in improving the accuracy, relevance, and sustainability of rangeland management.



The participatory herder mobility mapping

A general survey of goat body condition was also conducted, showing an average body condition score of 3.63, indicating that the goats are generally in moderate to good condition. Möst soum’s terrain is mountainous with rocky areas, which supports populations of snow leopards and wolves, posing a significant threat to herders. Herders often lose a portion of their livestock to these predators, and losses are especially high during severe winters (dzud). Herders perceive goats as sentient and responsive animals, and they assess their health, behavior, body language, and coat/fiber condition to monitor overall well-being. This approach reflects a deep understanding of animal welfare rooted in traditional herding knowledge.

“Conservation of Sustainable Landscapes and Biodiversity in the Dry Steppe of Eastern Mongolia Project”

The Sustainable Fibre Alliance (SFA) successfully implemented all activities outlined in the “Conservation of Sustainable Landscapes and Biodiversity in the Dry Steppe of Eastern Mongolia” project agreement with the United Nations Food and Agriculture Organization (FAO). During the reporting period, the project strengthened the cashmere supply chain by providing targeted support to herder cooperatives.

Within the project, raw cashmere was sorted by colour at the herder household level, packed in cloth bags, and delivered to the cooperatives. Additionally, the Ashid Mönkh Bayan Cooperative in Mönkhkhaan soum, Sүkhbaatar province, implemented a quality-based price premium programme.

These outcomes reflect the integrated development of capacity-building training, the implementation and verification of SFA Cashmere Standards, and the cashmere chain of custody system. Notably, eight SFA cooperatives received conformity certificates, and during the project period, best practices were established that aligned sustainable pasture management, quality-based incentives, and transparent market mechanisms, creating scalable and replicable approaches for future development.



Members of the Ashid Mönkh Bayan Cooperative in Mönkhkhaan soum, Sүkhbaatar province

“Green Loan Programme to Support Sustainable Wool and Cashmere Supply”

For cooperatives supplying certified cashmere, maintaining financial sustainability, meeting the financial needs of their member herders, and establishing reliable long-term partnerships has always been a critical but challenging task to address independently.

To help resolve this challenge, in 2018, the Sustainable Fibre Alliance (SFA) initiated a collaboration with Khan Bank to develop and explore the implementation of the “Green Loan Programme to Support Sustainable Wool and Cashmere Supply,” formalised through a memorandum of understanding. Following extensive research, from 2022 onwards, the “Green Loan for Supporting Wool and Cashmere Supply” product was launched in the market.

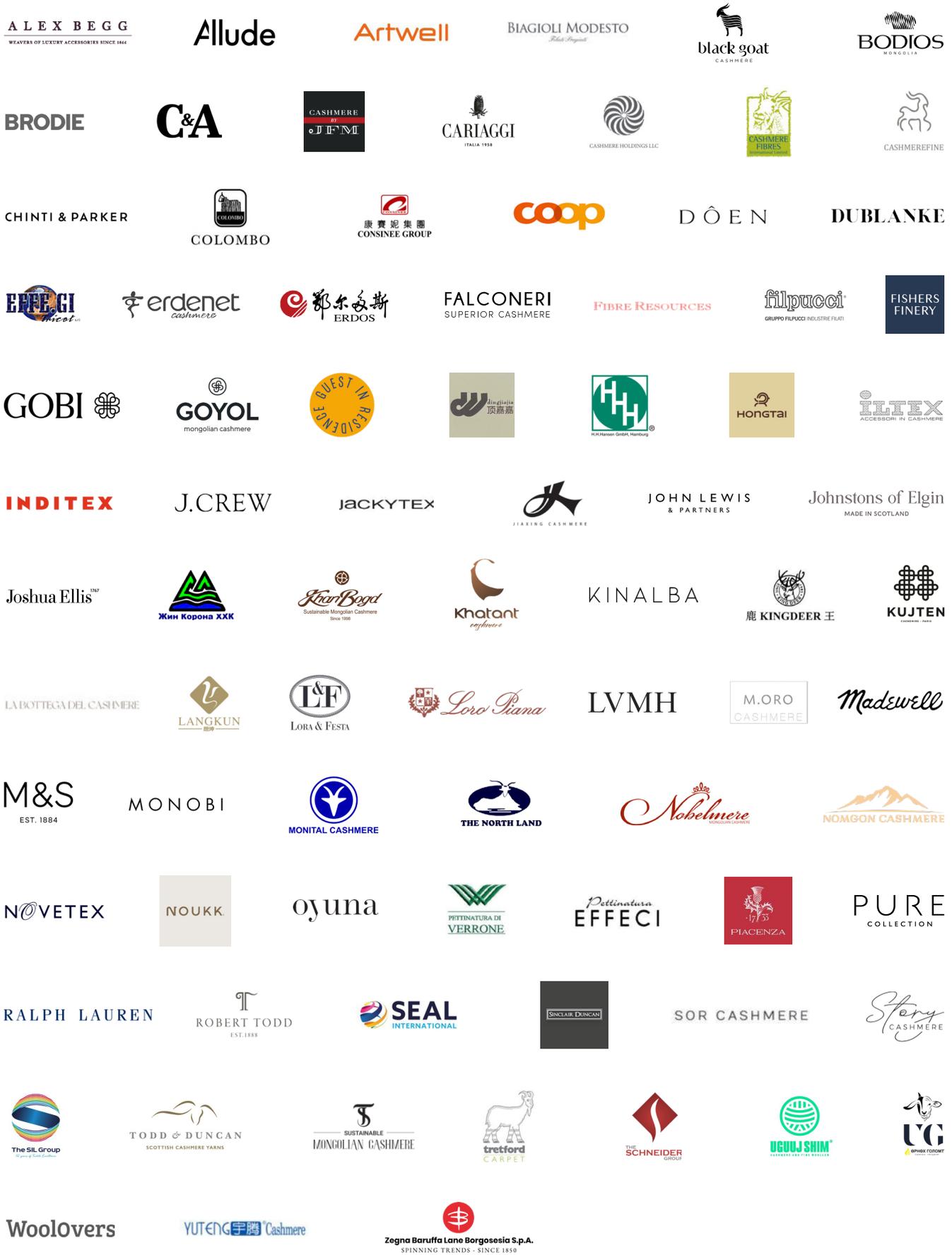
This programme not only supports the financial sustainability of herders and cooperatives but also provides concessional loans to cooperatives that demonstrate responsible livestock management, animal health, quality, breeding, and sustainable pasture use, and have been certified by SFA as responsible and sustainable suppliers. Since 2024, it has been integrated into Khan Bank’s core loan products.

In 2025, 24 cooperatives received a total of MNT 10.7 billion in loans, strengthening the financial stability of their member herders and contributing significantly to the promotion of sustainable livestock farming.



“Green Loan to Support Sustainable Wool and Cashmere Supply”

SFA Members



2025 in Numbers:



Primary Level – Registered Herders and Suppliers

17 Provinces | 128 soums

19306 Herder households | Approximately 4,310,684 goats

214 Herder Organisations

By joining SFA, members have the opportunity to enhance their knowledge and skills, and participate in training, advisory services, and various programmes.

Trainings

- Training on compliance with SFA Animal Fibre and Chain of Custody standards
- Capacity-based training on sorting and producing cashmere
- Capacity-based training on goat breeding
- Capacity-based training on livestock health management
- Training on sustainable rangeland management



Certification

69 SFA Certified Herder Organisations | 17 Enterprises

Chain of Custody and cashmere production

52 Producer herder organisations comprising 8123 Households | 1100 tonnes of certified raw cashmere produced

Implemented standards

- SFA Animal Fibre Standard
- SFA Chain of Custody Standard



Buyers

16 Enterprises

Processed products

527 ton Dehaired cashmere

3.3 ton Cashmere yarn

Market and exports

- Italy
- People's Republic of China
- United Kingdom
- Singapore
- Germany

Implemented standards

- SFA Clean Fibre Processing Standard
- SFA Chain of Custody Standard

1100 ton raw cashmere production, 11 Factories, 4 Countries



The SFA aligns its operations with 11 of the United Nations Sustainable Development Goals, including "Protecting terrestrial ecosystems", "Promoting decent work and economic growth", "Eradicating poverty", and "Fostering partnerships for development."



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