

*Textile Exchange*

# Content Claim Standard 2.0

**CONTENTCLAIM**  
STANDARD



**TextileExchange**  
Creating Material Change

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The CCS version 2.0 replaces CCS version 1.0 and is effective as of January 1, 2016. The CCS version 1.0 was officially published on September 10, 2012. Sites certified to the CCS version 1.0 shall comply with the CCS version 2.0 by January 1, 2017

The official language of the CCS is English. In the case of inconsistency between any translated versions, reference shall default to the English version.

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## Introduction

The **Goal** of the Content Claim Standard (CCS) is to ensure the accuracy of content claims.

The CCS accomplishes this goal by verifying the presence and amount of a given raw material in a final product. It provides a strong chain of custody system from the source to the final product and is certified by an accredited third-party Certification Body. It allows for transparent, consistent, and comprehensive independent evaluation and verification of material content claims on products.

The Standard is a business-to-business tool to substantiate content claims of products. To this end, the CCS also serves as the chain of custody foundation for other Textile Exchange content claim standards that are developed around specific raw materials (e.g. organic, recycled). For application of CCS requirements to other standards, each reference of "CCS" in the Content Claim Standard shall be understood as that standard's name. The CCS logo cannot be used as a consumer-facing logo.

The Standard does not cover the Certification of the raw material itself – that will be verified independent of the production process Certification. The CCS also does not address processing inputs (e.g. chemicals), environmental aspects of processing (e.g. energy or water usage), social issues, safety issues, or legal compliance. This allows the Standard to be used with any input material, and can apply to any supply chain. The Standard does not provide a consumer-facing logo for products so as to not substantiate the tracked input material as "sustainable" in the mind of the consumer.

Intended users of this Standard are manufacturers, brands and retailers, traders, Certification bodies, and organizations supporting specific raw material initiatives.

This is a voluntary, international standard that is not intended to replace the legal or regulatory requirements of any country. It is the responsibility of each operation to demonstrate compliance with all applicable laws and regulations related to marketing, labor and business practices. Where local legislation and the CCS requirements conflict, the Certification Body shall contact TE to find the most practical solution. When there is confusion about the interpretation of the Standard, the first point of contact shall be the Certification Body, which will contact Textile Exchange if further clarification is needed.

Textile Exchange is an international, member-supported non-profit organization that was originally established in 2003 under the name Organic Exchange. Textile Exchange's mission is to inspire and equip people to accelerate sustainable practices in the textile value chain. Visit [TextileExchange.org](http://TextileExchange.org) to learn more.

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## How to use this Document

This document sets forth the overall requirements for compliance with the CCS. Guidance and clarifications are available in the *CCS Implementation Manual*.

In the CCS, the following verbal forms are used to indicate requirements, recommendations, permissions, or capabilities:

1. "shall" indicates a requirement
2. "should" indicates a recommendation
3. "may" indicates a permission
4. "can" indicates a possibility or capability

"Desired Outcomes" have been included to detail the intent of requirements, but they are not requirements themselves. "Desired Outcomes" are designated by a blue text box; see the following example:

---

**DESIRED OUTCOME:** *Example text. Why does this requirement exist?*

---

## Guidance Documents

The following guidance documents were used in the development and/or revision of this standard:

- *ISO/IEC Directives, Part 2: Rules for the structure and drafting of International Standards*
- *ISO/IEC Guide 59: Code of Good Practice for Standardization*
- *ISEAL Code of Good Practice for Setting Social and Environmental Standards*

## Section A – General Information

### A1. Definitions

For the purposes of this document, the following terms and definitions apply:

**Accessory:** Supplemental items added to a product for decorative or functional reasons (e.g. embroidery, buttons, zippers). May also be referred to as a “trim.”

**Accreditation:** A procedure by which an authoritative body evaluates and gives formal recognition that a Certification program of a Certification Body is in accordance with a given standard. Achieving accreditation gives Certification Bodies the authority to grant Certification to a standard.

**Audit:** A means to verify compliance with a standard. It can involve visual inspection, interviews, and/or document reviews.

**Auditor:** A person that examines and evaluates compliance with a standard. Can also be referred to as “Inspector” in other TE standards.

**Blend:** A combination of Claimed Materials and other materials.

**Brand:** An organization that controls the design, development, and purchase of products for sale under their own name. Brands may sell to wholesalers, retailers, or directly to consumers. In the CCS, this refers to Post-Production organizations that own or are responsible for a finished CCS Product intended for sale to a consumer.

**CCS Product:** Goods-in-process or finished products that have been certified to the CCS. CCS Products can also be referred to as CCS inputs and CCS outputs.

**Certification Body (CB):** An authorized third-party carrying out the audit and Certification procedures in accordance with the provisions set out in this standard and the *Accreditation and Certification Procedures for Textile Exchange Standards*. They may issue Scope Certificates and Transaction Certificates.

**Certification:** The provision by an independent body of written assurance (a certificate) that the product, service or system in question meets specific requirements.

**Chain of Custody:** A system to document and verify the path taken by a defined input material through all stages of transfer and production, to the final product. The chain of custody preserves the identity of the input material.

**Claim:** An oral, written, implied, representation, statement, advertising or other form of communication that is presented to the public or buyer that relates to the presence of a Claimed Material in the content of a product.

**Claimed Material:** The specific material that is being verified by the CCS as a content claim in a final product.

**Commingling:** Physical contact between certified and non-certified materials during production, processing, transportation, storage or handling up to the time the product is packaged for the consumer.

**Content:** Proportion of a material in a product.



**Final Processor:** The certified Organization that performs the final point of product transformation – including any addition of hangtags or product labeling that indicates Certification – before sale to consumers.

**Inputs:** All substances and materials used in the production of the CCS Product.

**Label:** Descriptive, informative or pictorial material on or accompanying a product or its immediate container.

**Non-compliance:** Lack of conformity with the CCS standard.

**On-Site Audit:** The act of examining and evaluating compliance with a standard at the physical site. Also referred to as “Inspection” in other TE standards.

**Operation:** A step in the supply chain that receives, processes, packages or stores products covered by CCS.

**Organization:** Entity being certified to the CCS; involved in the manufacturing, handling, trading and processing of CCS Products. Organizations take legal ownership of CCS Products.

**Post-Production:** All activities that occur after final product manufacturing and before a product is sold to the final consumer (e.g. warehousing and distribution). Any addition of trims or accessories, packaging, and labeling are not post-production activities.

**Processor:** Entity engaged in construction or transformation of a product, including the addition of trims or accessories. Also referred to as a “manufacturer”.

**Producer:** Entity responsible for the production of inputs into the manufacturing process.

**Products:** The physical goods that result from each stage of production. These can include finished or unfinished goods.

**Records:** The information in written, visual, or electronic form that documents the activities undertaken by a user to demonstrate accordance with requirements.

**Remote Audit:** The act of examining and evaluating compliance with a standard from somewhere other than the physical site (e.g. review of records submitted electronically, phone calls).

**Scope Certificate (SC):** A document issued by the Certification Body that verifies that an Organization is qualified to produce goods in compliance with a standard. Scope Certificates list the products and/or product categories as well as the processing, manufacturing, and trading activities qualified under the scope of Certification of the Organization. See *Policy and Template for Issuing Certificates of Compliance (Scope Certificates, SCs)*.

**Site:** A single functional unit of an Organization or a combination of units situated at one physical location, which is geographically distinct from other units of the same Organization.

**Standard:** When capitalized, refers to this Standard (CCS Standard). A standard is a set of defined requirements that shall be attained to be awarded Certification.

**Subcontractor:** An individual or company hired by a producer to perform services. The subcontractor shall not take ownership of the goods being processed. Subcontractors and their relevant processing and manufacturing steps become listed on the Scope Certificate of the certified Organization assigning the Certification.

**Supply Chain:** The progression of business entities involved in the supply and purchase of materials, goods or services from raw materials to the final product.

**Trader:** Entity trading (buying and selling, but not processing) product in the supply chain between the original Claimed Material source and the retail merchant of the final product, regardless of whether the goods are physically received (e.g. import, export or wholesale trading entities, or Brand distribution centers selling to other retailers). Agents that do not take ownership of the goods and retailers only selling to the end consumer are not considered as traders.

**Transaction Certificate (TC):** A document issued by the Certification Body that verifies that the goods being shipped from one Organization to the next conform to a given standard. See *Policy and Template for issuing Transaction Certificates (TCs)*.

**Unit:** The facility in which a production or processing operation is taking place, or at which control or ownership of the CCS material occurs.

**Verification:** The confirmation, through the provision of evidence, that specified requirements have been fulfilled.

**Volume Reconciliation Calculation:** At each point along the supply chain the records shall demonstrate the balance between the inputs and the outputs containing the declared final amount of Claimed Material. The Certification Body will review Transaction Certificates as well as shipping invoices to verify that the amounts being claimed are accurate. Can also be referred to as "mass balance" in other standards.

The acronyms in the following table are used throughout the Standard:

Acronyms	
TE	Textile Exchange
CCS	Content Claim Standard
CB	Certification Body
SC	Scope Certificate
TC	Transaction Certificate
BNC	Brand Network Certification

The terms defined above that appear in the following table are used throughout the CCS, but different terms may appear in other TE Standards or related documents. Contact your responsible Certification Body (CB) if there is doubt or conflict about terms:

CCS Term	Other Standards Synonyms
Audit	Inspection
On-Site Audit	Inspection
Auditor	Inspector
Certification Body (CB)	Certifier

## A2. References

The following documents support the understanding and implementation of the CCS scheme. The most current versions will be available at [ContentClaim.org](http://ContentClaim.org), and all provisions made in these documents – including this one – are to be treated as binding:

- *CCS Implementation Manual*
- *CCS Logo Use and Claim Guide*
- *Accreditation and Certification Procedures for Textile Exchange Standards*
- *Policy and Template for Issuing Certificates of Compliance (Scope Certificates, SCs)*
- *Scope Certificate Template*
- *Policy and Template for Issuing Transaction Certificates (TCs)*
- *Transaction Certificate Template*
- *TE Accepted Equivalent Standards*

## A3. Principles of CCS Certification

Compliance with the CCS provides third-party verification of Claimed Material in a product.

### A3.1 Applicability of the Standard

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**DESIRED OUTCOME:** *Claimed Material is properly identified with its unique attributes and integrity is maintained by all involved Organizations.*

---

- A3.1a** CCS Certification applies to each Organization in the full supply chain: from verification of the source Claimed Material, processing, manufacturing, storage, handling and shipping through to the seller in the last business-to-business transaction.
- A3.1b** Compliance with the CCS by all Organizations shall be certified by a CB.
- A3.1c** The Standard applies to products that contain 5% to 100% of a Claimed Material.
- A3.1d** Claimed Material in a CCS Product refers to the material content, but further criteria (e.g. regional source) for the Claimed Material may be set and verified by the CCS.

### A3.2 Certification Body Requirements

---

**DESIRED OUTCOME:** *CBs are verified to have the competence to perform Certification activities of the CCS.*

---

All CBs shall be accredited to perform CCS Certification activities by a TE-approved Accreditation Body in accordance with the *Accreditation and Certification Procedures for Textile Exchange Standards*.

### A3.3 Scope Certificates

---

**DESIRED OUTCOME:** *Certified Organizations are able to demonstrate their compliance, what products they can produce, and/or what activities they can perform in accordance with the CCS.*

---

- A3.3a** An Organization shall be considered certified when they have undergone a CB's assessment (e.g. document review and On-Site Audit) and been determined by the CB to operate in accordance with the CCS. Certified Organizations are issued a CCS Scope Certificate (SC) after this Certification decision is made. See '*Policy and Template for issuing Certificates of Compliance (Scope Certificates, SCs)*' for further information.
- A3.3b** Organizations shall renew their Certification on an annual basis. SC expiration dates shall not exceed 14 months and shall be renewed after successful reassessment by the CB. The validity date of the SC shall begin on or after the date of a positive Certification decision.
- A3.2c** Organizations producing CCS Product must hold a valid SC at the time of production in order for the products to be considered Certified.

### A3.4 Transaction Certificates

---

**DESIRED OUTCOME:** *Buyers of CCS product have confidence in the CCS products they receive.*

---

- A3.4a** Transaction Certificates (TCs) are issued by a Certification Body to verify a product as Certified. Certified Organizations purchasing Claimed Material or CCS Product shall receive and maintain valid TCs for all incoming certified products purchased.
- A3.4b** TCs shall only be issued to a Certified Organization with a valid SC that is selling the CCS Product. TCs shall be issued by the same CB that issued the Certified Organization's SC.

## Section B – Operational Requirements

The following requirements are intended for the certified Organization in its ongoing operational compliance with the CCS.

### B1. Management System

#### B1.1 Procedures

---

**DESIRED OUTCOME:** *Organization management has procedures in place to meet the requirements of the CCS.*

---

- B1.1a** The Organization shall establish, implement and maintain procedures and/or work instructions covering all applicable requirements of the CCS.
- B1.1b** Companies shall maintain a documented system plan that describes processes, including the points of risk and the material flow diagram.

#### B1.2 Record Keeping

---

**DESIRED OUTCOME:** *Organization maintains a system of documentation that demonstrates their compliance with CCS requirements and enables the CB to track the Claimed Material as it moves through and between the different processing operations.*

---

- B1.2a** The Organization shall maintain complete, up-to-date, easily auditable and understood records to demonstrate conformity with all requirements of the CCS.
- B1.2b** The Organization shall keep complete and up-to-date records of the description, quantities, origins and/or destinations of all CCS Products received and delivered as well as all TCs for any incoming CCS Product.
- B1.2c** For each production step, the records shall demonstrate the balance between the CCS inputs and the outputs containing the declared final amount of Claimed Material. These records shall enable the CB to perform Volume Reconciliations as described in C4.2.
- B1.2d** All records used in the implementation and/or verification of the CCS shall be retained by the Organization for a minimum of five years.
- B1.2e** The certified Organization shall have a valid contract with each subcontractor stipulating the conditions of the relevant job work assigned. Certified Organizations shall remain fully responsible for compliance with all requirements of the CCS. These contracts shall be made available to CBs.

#### B1.3 Staff and Management

---

**DESIRED OUTCOME:** *Organization employees understand the purpose and requirements of the CCS in order to successfully maintain product content integrity.*

---

- B1.3a** The Organization shall maintain and communicate clearly defined roles and responsibilities for all staff and management that may have an impact on the implementation of the Standard.
- B1.3b** The Organization shall appoint a management representative to be responsible for the overall compliance to the CCS standard.
- B1.3c** The staff responsible for each procedure impacted by CCS shall be given proper and regular training with regards to the implementation of the Standard.
- B1.3d** Auditable records shall be kept of staff training related to the CCS.

## **B2. Managing CCS Inputs**

### **B2.1 Input Inspection**

---

**DESIRED OUTCOME:** *Claimed Material is verified to have unique traits or properties whose identity will be preserved by the CCS.*

---

Organizations receiving qualified Claimed Materials or CCS Product as inputs shall inspect the documents accompanying the input goods to confirm that the description, quantity and source described in the document match the goods themselves. If there are any doubts about the validity of the incoming goods, the processing of the CCS Product shall not begin until conformity is proven.

**B2.1a For Claimed Materials entering the supply chain from an outside source:**  
For materials entering the supply chain, there shall be documentation including the name and address of the supplier, the quantity and description of the goods, reference to claims being made about the material, and any corresponding verification or Certification.

**B2.1b For products already certified to CCS:**  
A TC shall accompany the CCS inputs, confirming they were produced by an Organization certified to the CCS or an accepted equivalent standard. See *TE Accepted Equivalent Standards*.

The Organization shall check the supplier invoice and supporting documents to confirm that the date, quantity, blend percentage and material description all correspond to the TC.

**B2.1c For CCS Products received from an internal source:**  
For goods flowing from one production unit to another within the same Organization there shall be corresponding documentation that references the initial Claimed Materials, the quantity, blend percentage, and description of the CCS Products being received.



**B2.2 Products suspected of not satisfying the requirements of the CCS standard**

---

***DESIRED OUTCOME:** The Integrity of the standard is protected in the marketplace.*

---

The consignee of any Claimed Material and CCS Product must check the integrity of the packaging or container to verify the origin and nature of the certified products from the information contained in the product marking and corresponding documentation (e.g. invoice, bill of lading, TC) upon receipt of the certified product.

When an Organization suspects that any input or product is not in compliance with this Standard, they shall withdraw references to the Claimed Material content of the related product until they can confirm the valid Certification of the product, and shall inform the CB immediately.

**B3. Managing CCS Product during production**

---

***DESIRED OUTCOME:** The Organization has procedures in place to maintain the integrity of the Claimed Material throughout processing.*

---

**B3.1 Production Controls**

The Organization shall demonstrate control over the flow of Products within the unit (e.g. processing/manufacturing steps performed), recipes used, composition, and stock quantities.

**B3.2 Identification**

---

***DESIRED OUTCOME:** Claimed Material identity is preserved from commingling or substitution. Certification Body is able to observe that commingling is avoided and segregation is carried out.*

---

Claimed Materials or CCS Products shall be clearly identified as they move through production. This may include, but is not limited to, direct labeling of Claimed Materials or CCS Products, machines, storage vessels, or storage areas.

**B3.3 Segregation**

---

***DESIRED OUTCOME:** Claimed Material identity is preserved from accidental commingling or substitution.*

---

- B3.3a** Claimed Materials shall be stored separately from non-Claimed Materials and CCS Products shall be separated from other products of the same type. Extra precautions shall be taken where Claimed Materials or CCS Products are being shipped, stored or produced alongside non-Claimed Materials or products of the same type to ensure that no accidental commingling, confusion, or substitution occurs.
- B3.3b** Blending of Claimed Materials with non-Claimed Materials is allowed and shall be appropriately managed so that the Claimed Material contained in the output is accurately documented. See the corresponding TE Standard's *Logo Use and Claims Guide* for the allowed percentage labeling.

## **B4. Managing CCS Product during Post-Production**

### **B4.1 Packaging and Transporting CCS Products**

---

***DESIRED OUTCOME:** Products containing Claimed Material are prevented from accidental commingling or substitution with other products during transport.*

---

- B4.1a** The Organization shall ensure that the products containing Claimed Material shall be transported to other units, including wholesalers and retailers, only in appropriate packaging, containers, or vehicles that are closed in such a manner that substitution of the content cannot be achieved without manipulation or damage to the container.

- B4.1b** All shipments of CCS Products shall be labeled with identification that clearly links them to the relevant invoices or shipping documents.

Alternatively, this information may be presented on an accompanying document, as long as such document can be undeniably linked with the packaging, container or transport vehicle of the CCS Product.

### **B4.2 Storing CCS Products**

---

***DESIRED OUTCOME:** Products containing Claimed Material are prevented from commingling or accidental substitution with other products during storage.*

---

The storage of products shall be managed in order to segregate Claimed Materials and CCS Products and ensure easy identification of lots. Procedures shall be in place to prevent commingling or substitution of the Claimed Materials and CCS Products with other materials or products.

### **B4.3 Labeling of CCS Products**

---

***DESIRED OUTCOME:** The CCS is not used to substantiate the sustainability of the Claimed Material itself.*

---

The CCS Logo shall not be used on any consumer products or consumer-facing product marketing. See *CCS Implementation Manual* for further guidance.

## Section C – Auditing Requirements

The following requirements are related to the auditing process performed by the Certification Body to verify compliance with the CCS. Further requirements on how CBs are to perform the Audit and Certification are found in the *Accreditation and Certification Procedures for Textile Exchange Standards*.

### C1. General

#### C1.1 On-Site Audit

---

**DESIRED OUTCOME:** *Certification Body physically observes compliance to the Standard and is able to conduct interviews with Organization staff.*

---

Organizations involved in the manufacturing and handling of CCS Products, from the initial processing of the received Claimed Material to final packing, as well as traders of CCS Products, shall receive an On-Site Audit from a Certification Body (CB) contracted by Textile Exchange.

#### C1.2 Audit Frequency

---

**DESIRED OUTCOME:** *Certification Body observes ongoing compliance to the Standard in order to incentivize constant compliance.*

---

On-Site Audits are to occur at least annually, within the calendar year, and within the validity period of the Scope Certificate.

#### C1.3 Non-Conformities

---

**DESIRED OUTCOME:** *Organizations found not to be compliant with the CCS make appropriate corrections in a timely manner.*

---

- C1.3a** The CB shall notify Organizations of any non-conformities (i.e. failure to meet a requirement of the CCS).
- C1.3b** The Organization shall submit a Corrective Action Plan (CAP) describing operational changes to become in compliance with the CCS to the CB.
- C1.3c** Major non-conformities shall be corrected within 30 days of the On-Site Audit.
- C1.3d** Minor non-conformities shall be corrected within 60 days of the On-Site Audit.

#### C1.4 Certification Decision

---

**DESIRED OUTCOME:** *CBs make Certification decisions based on recent observance of operations.*

---

Certification decisions shall be made within 60 days of the Audit.

## C2. Types of Audits

#### C2.1 Unannounced On-Site Audits

---

**DESIRED OUTCOME:** *The possibility of an audit at any time incentivizes constant compliance.*

---

The CB may carry out unannounced On-Site Audit visits. The visits shall cover in particular those units or situations where there may be specific risk of confusion or exchange of CCS Products with other products. No more than 48 hours' notice may be given in advance on an unannounced On-Site Audit.

#### C2.2 Trader Audits

---

**DESIRED OUTCOME:** *Integrity of CCS Product is maintained with each ownership change after production is complete.*

---

**C2.2a** CBs may grant exemptions from the annual On-Site Audit cycle for Traders or Brands identified as low risk. In this case, a Remote Audit may be conducted to replace the On-Site Audit for their second and third year of Certification. The fourth year shall begin a new cycle with an On-Site Audit followed by two years of Remote Audits. The CB may perform Remote Audits in this manner only if it is able to cover all applicable aspects of the CCS On-Site Audit protocols without being on-site.

See *Appendix D2* for additional information on the Brand Network Certification option.

**C2.2b** Traders with an annual turnover of less than \$10,000 (US) of CCS Product are exempt from the Certification obligation; provided they are only involved in Post-Production activities with CCS Product. Exempted entities with less than \$10,000 annual turnover of CCS Product shall register with an Approved Certification Body and shall immediately inform the Certification Body if their annual turnover exceeds \$10,000, or if they plan to repackage CCS Product.

#### C2.3 Subcontractor Audits

---

**DESIRED OUTCOME:** *Integrity of CCS Product is maintained while not in physical possession of a certified Organization.*

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- C2.3a** The certified Organization shall have control and responsibility for the integrity of the CCS Product being subcontracted.
- C2.3b** Subcontractors identified as higher risk through a CB risk assessment shall be subject to On-Site Audits or Remote Audits. Subcontractors identified as low risk through a CB risk assessment may be exempt from On-Site Audits and Remote Audits.
- C2.3c** Core production operations may not be exempt from On-Site Audits. Core processing is any process involved with the construction or transformation of the product.
- C2.3d** Subcontractors shall not further subcontract their CCS-related activities to a separately owned entity.

### **C3. On-Site Audit Conditions**

#### **C3.1 On-Site Audit Scope**

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**DESIRED OUTCOME:** *The CB assesses the Organization's complete operations related to CCS Product.*

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- C3.1a** During the On-Site Audit, the CB shall review and observe records, production processes, and storage units at each site.
- C3.1b** Organization-owned warehouses managing CCS Product during Post-Production shall be identified and may be inspected at the discretion of the CB. Contracted warehouses only performing shipping or repacking functions for CCS Product Post-Production shall be reported to the CB, but are not required to be On-Site Audited by the CB.

For further details on On-Site Audit requirements, see the *CCS Implementation Manual*.

#### **C3.2 On-Site Audit Access**

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**DESIRED OUTCOME:** *The CB is able to assess all locations where CCS Product flows.*

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The Organization shall give the CB, for inspection purposes, access to all parts of the unit and all premises, as well as to the accounts and relevant supporting documents. Auditors



shall be allowed to interview staff without restriction. Full access shall be given both for announced and unannounced visits.

Subcontractors required to undergo an On-Site Audit shall give the Auditor the same level of access. The certified Organization shall ensure all subcontractors will give access to Auditor prior to handling CCS Product.

### C3.3 Audit Information

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**DESIRED OUTCOME:** *The CB is able to prepare a thorough and efficient On-Site Audit.*

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**C3.3a** The Organization shall provide the CB with any updated and accurate information deemed necessary for the purposes of the On-Site Audit, including but not limited to:

- the name, location, and activity being performed at each site;
- a diagram and description of all material and product flows;
- all documents that verify the Claimed Material input's Certification or unique qualities;
- all documents that track the flow of CCS Products;
- details of procedures, handling requirements, or other practical measures for attaining and maintaining compliance to the Standard;
- a full list of all products being certified to the CCS, including material compositions;
- a complete list of suppliers of CCS or input materials;
- results of its own voluntary inspection and sampling programs;
- the volume reconciliation equation used to calculate content claims, as well as an example of the equation being applied;
- conversion rates whenever a process is being performed that results in a change of amount or volume from inputs to outputs;
- any relevant verification documents and/or test results deemed necessary to ensure the identity of the Claimed Material; and
- a declaration that the Organization is performing its operations in accordance with the CCS.

**C3.3b** A description of, practical measures list for, and statement of compliance with the Standard shall be signed by a representative of the Organization.

This document will be verified by the CB during the Certification process. If deficiencies or non-compliances are found, the CB will issue an Audit report to the Organization. The Organization shall countersign this report and take necessary corrective measures. Certification will only be given after deficiencies or non-compliance issues have been corrected by the applying Organization and confirmed by the CB.

## C4. Auditing Outgoing CCS Product

### C4.1 Transaction Certificates Issuance

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**DESIRED OUTCOME:** *Buyers of CCS Product have proof that the products they receive are certified and chain of custody is maintained.*

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**C4.1a** Certified Organizations shall request TCs from their responsible CB for all CCS Products sold in business to business transactions, except when sold to a final retailer. Certified Organizations shall provide TCs upon request.

Buyers of CCS Product may choose not to request a TC, such as in the case of a non-certified retailer.

**C4.1b** The seller shall provide documented proof of the CCS Product sale to their responsible CB. The information that the CB may look for and verify includes, but is not limited to:

- Invoices and shipping documents that show outgoing products have been sold to the named buyer of the products;
- The identity of the Claimed Materials or CCS Products and quantities;
- A balanced Volume Reconciliation as detailed in C4.2; and
- Records for any products purchased or sold.

### C4.2 Volume Reconciliation

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**DESIRED OUTCOME:** *Organizations do not sell more products as certified than they were able to produce given CCS inputs available.*

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#### C4.2a Volume Reconciliation during Audit

The CB shall conduct a volume reconciliation during the audit to determine if enough inputs were available to produce the outputs – taking into account loss during production – on an annual basis.

#### C4.2b Volume Reconciliation with Transaction Certificates

The CB shall conduct a volume reconciliation whenever a TC is issued to determine if enough inputs were available to produce the outputs – taking into account loss during production – for the batch.

#### C4.2c Volume Reconciliation Calculation

All volume reconciliation calculations are done based on the weight of the materials, except in Post-Production sites where number of items may be more appropriate.

The calculation shall take into account stock levels and rejected goods. When the properties of the Claimed Material vary significantly from the other materials, and the variance could lead to significant differences in gain or loss in production between the different materials, the Organization shall show that they are taking this into consideration in their own calculations, and the CB will verify this during the audit.

The final percentage of gain or loss shall be compared to the expected percentage and any differences will be investigated. Deviations of over 5% of the expected amounts shall be investigated and may result in a non-conformity assessment.

## Section D – Post-Production Brand Certification Exemptions

The following exemptions for Post-Production Certification are allowances designed to encourage Brands to identify their finished CCS Product as certified to the relevant standard. Brands may apply for the Post-Production exemption with their responsible CB, who will assess their eligibility. Only Brands with sufficient control over their branded products through an Internal Control System (ICS) – including the ability to demonstrate volume reconciliation for their products – qualify for any of the exemptions.

Exemptions from some site Certifications (see C1.1) and TCs (see C4.1) for the certified Brand's product are allowed if certain conditions are met. Exemptions as described in C2.2a do not apply to Brands using a Post-Production Certification option.

The CCS is not intended for use in consumer-facing communication. Anytime reference is made to labeling with the CCS in Section D, it refers to the standard to which the organization is seeking Certification (e.g. the Organic Content Standard, Recycled Claim Standard, or Responsible Down Standard). Each exemption does not require compliance with the requirements of the other exemptions.

### D1. Batch Code Label Exemptions

Permanently labeling CCS Products with an identifying "Batch Code Label" may exempt certain Post-Production sites from the requirements of Transaction Certificates and On-Site Audits if the responsible CB determines that the requirements in D1 are met.

#### D1.1 Definitions

**Batch Code Labels:** Permanently affixed marks that include certain identifying information of the CCS Product (e.g. Brand Licensing number and Batch Code number). "Permanently affixed" means the label is reasonably expected to remain on the product during the useful life of the product (e.g. sewn in labels, printed on product) and be durable enough to last for the anticipated lifespan of the product if consumers follow the care and handling instructions.

**Batch Code Number:** The CCS Product's unique batch, run, or lot manufacturing number used to directly associate them with a TC issued from the Final Processor to the Brand. Unique individual product serial numbers or Purchase Order Numbers may also qualify.

**Product Description:** The CCS Product's unique identifier that distinguishes it from the Brand's other products (e.g. SKU number, Product number, Style number).

#### D1.2 Qualifications for Brand Exemption

**D1.2a** Brands and their CCS Products that meet the following requirements are eligible to receive exemptions under D1.3. Brands shall:

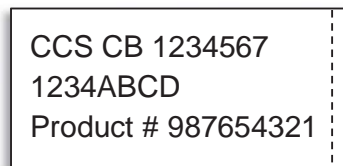
1. Be subject to an On-Site Audit;
2. Hold a valid CCS Scope Certificate;
3. Receive approval from their CB for the Batch Code Label exemption;
4. Permanently affix a Batch Code Label to the CCS Product (usually applied by the Final Processor);
5. Receive TCs for all CCS Product purchased:

- The seller on the Transaction Certificate (Box 3) shall be the Organization applying the Batch Code Label.
  - The “Product and Shipping Information” (Box 10 and 17 of the TC) shall include and directly relate all Batch Codes to their corresponding product descriptions.
6. Permanently label product with their Brand’s name and/or logo (may be applied by a Final Processor); and
  7. Maintain appropriate systems and procedures to ensure:
    - the Batch Code product can be associated with a TC;
    - the Batch Code is unique to only one Final Processor;
    - Batch Code Labels are correctly applied; and
    - CCS Product volume can be reconciled for the entire Brand, regardless of who owns them (e.g. licensees, wholesalers, parent companies).
  8. Maintain complete and up-to-date records of the Batch Codes and the associated batch description and quantity; kept and available for at least five years.
  9. Supply a map of all Post-Production sites handling CCS Product up to, but not necessarily including, final retail sites.

**D1.2b** The Batch Code Label information shall include all of the following elements in a manner that allows easy and clear identification of a corresponding TC(s):

1. In this order: TE Standard acronym, CB acronym code (assigned by TE), and Brand’s Licensing Number as supplied by their CB
2. Unique Batch Code Number
3. Product Description

Example of label sewn into a garment:



**D1.2c** The relevant CB shall perform random audits on Batch Codes products and associate them to TCs during the On-Site Audit of the qualified Brand. If CCS Product is not physically present at the Brand or its warehouses, then Batch Codes can be audited at the Final Processor or retail.

### **D1.3 Batch Code Exemptions**

**D1.3a** Qualified Brands are not required to issue TCs for their outgoing CCS products.

**D1.3b** Post-Production sites that buy Batch Code Labeled CCS Products from exempted Brands are not required to be certified themselves.

## **D2. 100% Claimed Material Exemptions**

Brands that exclusively use certified Claimed Material of a given type in all applicable products may be eligible for these exemptions under Certification to CCS-based consumer-facing standards (e.g. OCS and RDS).

## **D2.1 Qualifications for Brand Exemption**

**D2.1a** Brands and their CCS Products that meet the following requirements are eligible to receive exemptions under D2.2. Brands shall:

1. Be subject to an On-Site Audit;
2. Hold a valid CCS Scope Certificate;
3. Receive TCs for all CCS Product purchased;
4. Maintain appropriate systems and procedures to ensure CCS Product volume can be reconciled for the entire Brand, regardless of who owns them (e.g. licensees, wholesalers, parent companies).
5. Supply a map of all Post-Production sites handling CCS Product up to, but not necessarily including, final retail sites.

**D2.1b** Products certified under the 100% Claimed Material Exemption have unique labeling requirements, see TE Standard's *Logo Use and Claims Guide*.

## **D2.2 100% Claimed Material Exemptions**

**D2.2a** Exempted Brands are not required to issue TCs for their outgoing CCS products.

**D2.2b** Post-production sites that buy CCS Products under this exemption from Brands are not subject to Certification.

## **D3. Brand Network Certification Exemption**

Brands with strong control over their products – an Internal Control System that involves identification of the products as well as strong contracts with distribution partners – may be allowed to cover their entire logistics network, after final processing, as a single entity on one SC. The BNC applies to TE content claim standards (e.g. Organic Content Standard, Recycled Claim Standard, or Responsible Down Standard). The BNC does not apply to standards with social or environmental requirements (e.g. Global Recycled Standard).

### **D3.1 Definitions**

**Brand Network Certification (BNC):** Certification of a Brand Organization where the Post-Production supply chain of their CCS product falls under a single Certification. The Brand Organization is responsible for and controls the integrity of CCS Product through its Internal Control System.

**Internal Control System (ICS):** A Brand's system of control over certified and branded products through the Post-Production supply chain to final retail.

Dependent BNC Participants:



- **Brand DC:** Distribution Center sites fully owned by the Brand<sup>1</sup>.
- **Contracted DC:** The Brand contracts with an independently-owned Distribution Center sites to perform distribution services. The Brand maintains ownership of the products until they are sold to the next party.

Independent BNC Participants:

- **Wholesaler:** A separate Organization that purchases CCS Product from the Brand before selling them to other businesses or direct to consumers. CCS Product may be shipped from a Brand DC or directly from the Final Processor, but payment is directed from the Wholesaler to the Brand.
- **Licensee:** A separate Organization with the right to directly contract manufacturers to produce and sell products under the Brand name. Payment is directed from the Licensee to the manufacturer, with a separate licensing fee to the Brand.

### D3.2 Qualifications for BNC

**D3.2a** Brands that meet the following requirements are eligible to apply for Brand Network Certification (BNC). Brands shall:

1. Receive valid TCs for all CCS Product purchased (from the Final Processor to the BNC; issued by the relevant CB);
2. The Brand shall have an Internal Control System (ICS) to manage the flow of their goods through their distribution network.
3. CCS Product volume can be reconciled for the entire Brand, regardless of who owns them (e.g. licensees and wholesalers).
4. Arrange agreement of dependent and independent distributors to accept CBs to their sites for announced or unannounced audits.

**D3.2b** Each BNC option is applied on an individual Brand basis only. For example, if a DC qualifies under Brand A, they would have to separately qualify for Brand B's BNC.

Any DC can choose to be independently certified at any time: as a Scope Certificate holder this will give them the ability to work with multiple Brands. The DC would:

1. be subject to an On-Site Audit and
2. hold a valid CCS Scope Certificate.

### D3.3 Brand Network Assessment

**D3.3a** CBs will assess the entire Brand Network – including their entire distribution network – before making a Certification decision.

**D3.3b** Brands shall provide the following information to the CB for assessment:

- Supply a map of all Post-Production sites handling CCS Product up to, but not necessarily including, final retail sites.
- *Brand Network Questionnaire* – questions about the Brand's overall network of distributors, and their system of control over CCS Product.

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<sup>1</sup> The Brand may own the physical distribution center or not: the important point is that all of the staff and operations are managed by the Brand.

- *Independent Trader Questionnaire* - questions about each individual independent DC. The Brand will be responsible for collecting these answers and submitting them to the Certification Body.
- It will be the responsibility of the Brand to notify the Certification Body of any changes to the Network participants within a timely manner. The Certification Body will reassess the risk to the BNC at that time and decide whether any additional action needs to occur prior to the next annual audit cycle.

**D3.3c** The CB shall assess the Brand's Network for its level of risk in accordance with the *Brand Network Assessment Guidance*<sup>2</sup> Textile Exchange provided guidance. The result of this will determine the level of auditing required for the Independent BNC Participants.

#### **D3.4 Brand Network Audits**

According to the results of the Brand Network Assessment, CBs shall audit as follows:

**D3.4a** The audit of the Brand and Dependent BNC Participants shall be according to the following protocol:

1. First year audit: at least one On-Site Audit of a DC, as well as a remote or On-Site Audit of the ICS
2. Second and third years: at least one Remote Audit of a DC, as well as a Remote Audit of the ICS
3. Three year cycle to continue.

**D3.4b** The audit of the Independent BNC Participants shall be according to the Level assigned to the Network from the Assessment (D3.3c). The Certification body always has the right to conduct additional audits to address any areas of risk at their discretion.

Network Level	<i>The following auditing requirements apply for Independent BNC Participants granted Certification as part of a Brand Distribution Network.</i>
Level 1	<ul style="list-style-type: none"> <li>• Annual Remote Audits of 0.5 x square root of total number of Independent BNC Participants within the BNC</li> <li>• A minimum of one Remote Audit per type (Wholesaler or Licensee) each year</li> </ul>
Level 2	<ul style="list-style-type: none"> <li>• Annual Remote Audits of square root of total number of Independent BNC Participants</li> <li>• Annual On-Site Audits of 0.5 x square root of total number</li> <li>• A minimum of one On-Site Audit per type (Wholesaler or Licensee) each year</li> </ul>
Level 3	<ul style="list-style-type: none"> <li>• Annual On-Site Audits of each DC</li> <li>• Independent sites that are trading less than \$10,000 are exempt from auditing requirements.</li> </ul>
<b>Independent BNC Participant Level</b> If the individual assessment of an Independent BNC Participant within a Brand Network results in a Level 3 determination, the Independent BNC Participant shall be separately	

<sup>2</sup> The Assessment Scoring Guidance is available only to Certification Bodies.

audited and certified.

**D3.4c** During the audits, the CB shall assess at least the following key points:

**Brand Internal Control System (ICS)**

- Review the ICS that the Brand has in place to track their products (both certified and non-certified).
- Employees understand the standard's intention and requirements.
- Review of representative contracts between the Brand and their distributors.
- Review of Brand's level of oversight: how they monitor the purchase and sale of their goods by their distributors.
- Check the Brand's control system for labeling at the manufacturing sites.
- Check that the Brand has copies of the TCs for all certified goods, except where TCs are in process or awaiting a multiple shipment deadline, and that they supply TCs to retailers upon request.
- Check that there is a system in place to ensure that all products under TCs requested by retailers are certified (this may require random sampling of labeled products at the distribution site).
- Check that the Brand has a system to ensure that each distribution site is aware of which products fall under Certification.
  - Example: The Brand sends a list of all products that may hold Certification to all of their DCs, with a requirement that the DC contact them if other products bear labels.

**BNC Participant Sites (dependent and independent DCs)**

- Check that there is a system in place to ensure that all labeled products are certified.
- Review the internal control and quality systems in place.
- Review a selection of the customers to which the DC is selling the Brand's products and follow up to ensure products can be tracked back to a certified supply chain.
- Employees understand the standard's intention and requirements (checking all orders labeled with reference to the standard are certified and prohibition on any changes to labeling or individual product packaging).

**D3.5 Application of Brand Network Certification**

**D3.5a Scope Certificates**

1. Under the Brand Network Certification, Scope Certificates are issued to the Brand and cover all the distribution sites named in their network.
2. Distribution sites may only distribute labeled certified goods for the Brand that owns the Scope Certificate. If any site is distributing goods for a separate Brand (e.g. Brand B), they will have to qualify separately as part of Brand B's network.

3. Any distribution site may choose to be independently certified. Scope Certificate holders have the ability to work with multiple Brands without further assessments.

#### **D3.5b Transaction Certificates from Final Processors**

1. Final Processors are required to request TCs from their CB for all certified products that are shipped to a BNC. The Consignee will be the BNC.
2. In the case of Independent BNC Participants, the name in Box 7 (buyer) shall be the Brand. The name of the Independent BNC Participants shall appear in Box 8 (consignee). This is an exemption from the current TC policy. In every case, the Brand shall receive all original TCs, and send copies to the relevant DCs.

#### **D3.5c Transaction Certificates to Retailers**

1. With all standards, TE strongly encourages Retailers to request Transaction Certificates for all certified Product prior to placing their orders. In this case, the CB would issue the TC from the Brand (as the seller) to the Retailer (as Consignee), with the shipping address of the Distribution Site.
2. There must be a system in place that will ensure that all products referenced on a transaction certificate are certified (this may require hand-picking of labeled products at the distribution site).

#### **D3.5d BNC Labeling**

1. All certified products shall be labeled in accordance with the relevant TE Standard's *Logo Use and Claims Guide* at the Final Processor: no labeling can occur after this point, unless it is by a party that holds a valid Scope Certificate.
2. The CB shall approve all product specific labeling. This may include hangtags, printed labels, and sewn labels. The Final Processor may only apply labels that have been approved by the relevant CB.

## Section E - Appendix

### E1. Tools and Resources

#### E1.1 Textile Exchange Certification Toolkit - Essential Series

The Certification Toolkit has been developed to provide increased clarity for Brands and retailers trying to understand how to most accurately certify their products. This tool helps to address issues around why Certification is important, the essential steps, understanding certificates, pricing and labeling.

The guide is free to members of Textile Exchange, or can be purchased on its own by non-members. For more information please visit [textileexchange.org](http://textileexchange.org).

#### E1.2 Questions and Additional Information

For questions or additional information about the CCS please contact:  
[Integrity@TextileExchange.org](mailto:Integrity@TextileExchange.org).