

FREQUENTLY ASKED QUESTIONS

TEXTILE EXCHANGE BRAND CERTIFICATION



NOTE

This is not an official document from Textile Exchange. The only official documents are those posted and published on their website. Some of the questions and answers are referenced from Textile Exchange site and gathered in this document. This FAQ will be updated, as needed.

Please visit Textile Exchange website for the most updated information and standard requirements:

Textile Exchange - <https://textileexchange.org/standards>

TEXTILE EXCHANGE BRAND CERTIFICATION

1. Why do Brands need to be certified?

Answer: If you want to label your products with Textile Exchange standards logo or talk about conformity to the standards in any other way, you need to be certified as a brand as per Textile Exchange CCS3.1.

Brands will need to go through an audit process, and you'll be in control of the claims approval process. What it means is that when brands make claims, the brand's single license number will be used to appear on all product claims (hangtags, product webpages), the supplier's license number will no longer be allowed to be used.

Brands who are already certified:

- Brands may begin using their license number in new claims approval applications as soon as they get it.
- Brands who are certified must use their license number for new claims approval applications starting April 1, 2023.
- Any pre-approved templates (including batch code label exemptions) that suppliers have been using must be re-submitted for approval with the certification body using the brand's license number by July 1, 2023.

Brands who are pursuing certification must:

1. Have a contract in place with their elected certification body. Contract must be in place with a Certification Body between April 1st to June 2023.
 - We recommend having a signed contract in place at the earliest as brands are required to be certified by July 1st (**Note:** Take into consideration, audits need to be scheduled between the mentioned period and to be confirmed by you and your selected Certification Body)
2. Register in Textile Exchange's portal between April 1 to June 2023. <https://www.tfaforms.com/5025276>

Note:

- Brands have to instruct their suppliers to hold off on any new claims approvals until the contract has been submitted to Textile Exchange site. Certification Body like Intertek will ask for evidence that you have registered to Textile Exchange site. If there is no evidence that you have registered and have submitted your signed contract in Textile Exchange portal, Certification Body like Intertek will not be able to approve your supplier's new claim approval.
- 3. Receive a valid scope certificate by July 1, 2023.

What does the above mean for brands pursuing certification?

- Between April to June 2023
 - You can still use your direct supplier's license number for claims and logo use.
 - You should have been audited and certified and has obtained your Scope Certificate from your Certification Body on or before July 1st, 2023.
- If a brand pursuing certification does not receive their scope certificate by July 1, 2023, you will not be able to apply for new claims approvals.
- By July 1st, any shipments from supplier to brand with product-specific claims of supplier's license numbers shall not be permitted.

Note:

- If a brand decides not to go for certification, brands can only sell stored products which were labelled before April 1. Brands will lose the opportunity to sell upcoming claimed products.
- Brands, whose products are already in the store with logos approved on or before 31st March, are not required to have a contract with a CB and register to Textile Exchange site but within April to June 2023 you need to do so if you want to continue selling these products after July 1st.
 - If the products are already in the store, or on the brand's warehouse, and you were certified on or before March 31st then products can still be sold. The intent is not to remove already approved hangtags or pull products from stores.

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However, brands have to resubmit pre-approved templates with their selected CB by July 1st using the brand's license number, in order for you to continue to sell these products after July 1. There is no need for re-labeling of the existing stocks with the brands license number.

- To be able to re-submit pre-approved templates, brands must have been already certified.
- Suppliers can still apply for claims for their own purpose, but claims cannot be used for a brand's final product(s).
- If brands have applied for certification and you have not obtained your scope certification by July 1st due to i.e. closure of non-conformities or for some other reason, you can reach out to Textile Exchange for further guidance.

All of Textile Exchange standards use a Chain of Custody model, requiring every site in the supply chain that owns or takes physical possession of the claimed material, from the input level to the final business to business transaction, to be certified to the specific standard in order to pass along certified materials and/or make product claims. For Brands, the full supply chain needs to be certified in order to make claims and logo use.

2. What is considered a Brand?

Answer:

- A company designs products and sells them through multiple distribution channels. The company controls the labeling and branding of the product.

Example: Puma, Patagonia, H&M. These brands take control of its product designs and sells their final products directly to consumers (B2C).

- A company is a major retailer and sells several different brands of products, including some of their own private label products. Only those private label products should be within the scope of certification for this company.

Example: Nordstrom, El Corte Ingles, Auchan, Walmart. These retailers have a percentage of which the products have their own private labels while also sells products from other brands.

- A company designs blank products (e.g., t-shirts or tote bags) and sells them through multiple distribution channels. The company controls the labeling and branding of the product, and the product may undergo minor processing such as screen printing or embroidery before being sold to the final consumer.

Example: Roly brand sells a wide array of blank products such as workwear garments for healthcare professionals' uniforms, sportswear, t-shirts, jackets, bags etc. These garments have their branding or logo on them, but retailers or buyers can add their own printing or embroidery e.g. for marathon run events, entity or name of professionals in hospital gowns etc...

3. What is NOT a BRAND

Answer:

- A company provides an online platform for a specific product category. They work with key vendors and brand partners but are not involved in product design or development.

Example: Etsy, eBay. Any seller having their own brand name can sell using these platforms.

- A company is a manufacturer of branded intermediate products (e.g. branded hook and loop, branded waterproof laminate, or branded fabric) and sells either directly or indirectly to brands who are responsible for the development of the final product for sale under the brand's name.

Example: YKK Zippers. These zippers are labeled with YKK and added in any clothing brand.

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4. **Would I still be able to sell my products which are already on the shelves (having logos with my supplier's license number) after April 1 if I am not certified as a brand?**

Answer: Artworks with suppliers' licence number already approved up to March 31st can continue to be used for selling until July 1st, 2023. And July 1st, any shipments with product-specific claims of supplier's license number shall not be permitted.

5. **How does brand certification work with multiple locations? ex. HQ is in the US with European arms and HQ in the US is certified. Will the brand's other locations in Europe need to be certified as well?**

Answer: No. Certification is issued only to the main site (US HQ) with all the facilities in Europe listed under the same certificate. When you fill out the Client Information Form, make sure to declare all your sites so that they will be included in the certificate.

6. **I understand that only the Brand's HQ or main site will be certified, does that mean that the brand HQ or main site will only be audited and not the other brand's site locations?**

Answer: Not necessarily. Certification Body (such as Intertek) will conduct an assessment of your operations and business models and assign a risk level (high, medium, low risk) based on the assessment. This will determine the type of audit applicable to the brand and will inform you on the audit duration, cost, and the number of onsite audits required.

Depending on the brand risk level, audit can be done onsite, hybrid or remotely and it may be that only the Brand's main site will be audited or some of your other locations too.

7. **Once I am certified as a brand, can I then distribute my products to a retailer?**

Answer: Once certified, brands can distribute via any channel (wholesale, retail, licensing) and pass along all claims to buyers without needing additional verification, meaning no Transaction Certificate is required for outgoing orders to retailers.

8. **What sections of the CCS3.1 are applicable to brands?**

Answer: Only sections C (Management System) and E (Brand criteria) of the Content Claim Standard (CCS) 3.1 are applicable to brands. Brands will be audited against these requirements.

9. **How does brand certification differ from the other supply chain certification?**

Answer: Both brands and supply chain members are audited against the same basic principles of the Content Claim Standard. How this is applied on-site will vary depending on the business model of each business. We will review each site carefully and scope the audit appropriately.

10. **The fabric manufacturer in my supply chain is not certified but the rest of my supply chain is, can I still apply for brand certification?**

Answer: Having partial chain of custody means that your product is not fully certified. Therefore, as a brand you will not be able to obtain the certification. This also means that you are not eligible to make product related claims including labelling. The garment manufacturer is also not eligible to label products using your brand license number. You need to be certified and all your sites in the supply chain, which includes your fabric manufacturer, to complete the full chain of custody, in order to do labeling or make claims.

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11. What does “Physical Possession” mean?

Answer: According to Textile Exchange, physical possession of goods is the physical custody or control of goods in material form. It is different from ownership of goods, where an entity acquires the proprietary rights over the goods.

For example, when a processor sends materials to a subcontractor, they merely transfer the physical possession of materials, and the subcontractor has physical possession of materials but is not the owner.

Different actors in the supply chain such as processors, wholesalers, distributors, and retailers usually take physical possession of materials and products. Others, such as traders, do not take physical possession depending on their commercial operations setup. Textile Exchange standards intend to cover the different arrangements among supply chain participants while guaranteeing the integrity of the verified materials and products.

12. As a brand we want to be certified to the GRS standard, will we also be audited to the social, environmental, and chemical modules of the GRS?

Answer: As per the GRS-105 v4.0 policy, it states that organizations that are purchasing exclusively GRS certified FINAL products are not required to be audited to the social, environmental, and chemical modules of the GRS. GRS-105 makes the GRS social, chemical, and environmental modules not applicable for facilities with PHYSICAL POSSESSION but WHERE THE INPUTS ARE FINAL PRODUCTS.

Therefore, if you are a brand that is pursuing certification, or already certified to the GRS, your audit/future audits will NOT INCLUDE the added social, environmental, and chemical modules if you are exclusively purchasing GRS certified FINAL PRODUCTS and only have the above-mentioned processing categories listed on your scope certificate.

Note: All sites with physical possession of UNFINISHED products in the supply chain are required to meet the GRS social, chemical, and environmental modules. This includes distribution sites which do not process the product.

Sites without physical possession of products, including traders, are not required to meet the GRS social, chemical, and environmental modules.

13. As a brand, what documents do I need to prepare for the audit?

Answer: It differs for each standard. For Textile Exchange, please refer to the specific standard requirements, CCS and claim requirements. You may check the implementation manual for each standard too.

Textile Exchange: <https://textileexchange.org/knowledge-center/documents/>

14. During the audit, will the Certification Body (Intertek) check the Transaction Certificates (TC) from the source up to the last B2B transaction of the brands supply chain?

Answer: No, Transaction Certificates at the “finished goods” level is only the requirement. If you can collect a “final goods” TC, you do not need to go backwards to collect further documentation. Final goods TCs would not be able to be issued unless each site had a valid SC and the product had accompanying TCs along the way.

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15. Do you have any recommendations or best practices to help us prepare for the audit as a brand?

Answers:

- Create a list of products that you are making claims on or have full chain of custody and who is handling the claims process for them.
- Decide which program(s) and scope area(s) to start
 - Choose an area(s) that maybe has the strongest TC collection system in place, or you have the most established relationship with suppliers and then go from there.
- Have a good understanding of your management system process and logistic structure in place. Understand where the flow happens or takes place, from the raw materials to the final products.
 - Gives you an idea of how many man-days are required for the full supply chain. This will also help with a smooth-running audit process later on.

16. Is brand certification required if brands do not want to label their products?

Answer: Textile Exchange standards are voluntary. If you do not want to make claims about your products, your brand does not have to be certified.

17. What does certification to the Textile Exchange Content Claim Standard (CCS) 3.1 entail?

Answer: The CCS has 3 pillars:

1. **Product Identification/Record Keeping** -can a site easily identify certified goods onsite, whether in the factory floor or via record keeping system?
Brand Exemplification: Collecting incoming TCs from vendors and attach POs. Put sewn in labels with PO number listed on product. Attach hangtags with standards claim. Have system in place at DC for workers to be able to easily identify and handle certified goods.
2. **Product Segregation** -can a site keep certified product separate from non-certified product so that mixing does not occur at the yarn/spinning level and certified orders are fulfilled properly at the fabric/finished goods level.
Brand Exemplification: Not applicable at the finished goods level. Identification is the main requirement. Can keep certified goods separate for best practice.
3. **Volume Reconciliation** -is the amount of certified material coming into the site, the same as what is being sold (minus production loss/damage)
Brand Exemplification: Brands have a system in place to ensure the claimed materials received (in product units) match the quantity on the TC and sales records.

18. Should my brand become certified (to any standard)?

Answer: This depends on whether or not you would like to make any product-specific claims (labeling, product webpage, etc.) about your use of a standard. Furthermore, it will depend on whether or not your brand sells products through a retailer. Textile Exchange requires all sites up through to the seller in the final business-to-business transaction to become certified in order to make a product-specific claim.

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19. What is the process for becoming certified as a brand?

Answer:

PREPARATION FOR AUDIT	
1. Application Submission	The first step to becoming certified is to fill out our Client Information Form, to best evaluate your requirements.
2. Quotation	Then we provide you with a quotation.
3. Contract Signing and Payment	
4. Documentation Submission & Pre-Assessment Review	Client submits documents to Intertek for pre-assessment review.
AUDIT & CERTIFICATION	
5. Audit	Audit can be done onsite, remotely or hybrid depending on the site's risk level. Good preparation can speed up the certification process.
6. Audit Follow-up (if needed)	In case non-conformance(s) is found.
7. Certification Decision and Scope Certificate issuance in our SourceClear system	Audit results will be reviewed to make a final certification decision after which the scope certificate will be issued.

20. Why do traders (including brands) need to be certified if they do not handle a product?

Answer: In order to maintain full chain of custody, it is necessary for a new site to be certified if they take legal ownership of the goods. Transaction certificates are issued between buyers and sellers and so traders, including brands, purchasing and housing certified product and reselling to other businesses will require their own certification. This ensures the volume is controlled and monitored by certification bodies. There is an exemption for traders who take legal possession but not physical possession of the goods - they are not required to hold their own scope certificate. Please refer to the trader requirements in the CCS 3.1 for more details. <https://textileexchange.org/documents/content-claim-standard-ccs/>

21. I contacted Intertek as I am ready to start the certification process, what information do I need to fill out to speed up the application process?

Answer: Intertek will send you a Client Information Form. On that form, complete the first three sheets (Client Details, Facilities List, Subcontractors List) without leaving any question unanswered. It is also very important to declare all your sites. Good practice is to also send a flowchart diagram of your logistic/site location structure for better understanding of your whole process and faster CIF evaluation.

22. Do brands need to be certified to use the Trackit program?

Answer: Yes. Brands need to be certified to access use the Trackit program because they need to be part of the certified chain and not just a receiver of information.

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23. What will brands be able to access in the Trackit program?

Answer: Brands will be able to access their scope certificate data and transaction certificate data (named buyer) in dTrackit.

24. Will brands be able to see their entire certified supply chain?

Answer: Brands will be able to view their supply chain but will only be able to see the name of the supplier if the supplier has opted to be visible. Brands should encourage their suppliers to be “visible” on the certified supply chain.

25. Who is eligible to participate in the Trackit program?

Answer: Brands that are certified up to the final product (i.e., eligible for labeling claims) are eligible to participate in the Trackit program. Brands are encouraged to work towards certification to final product.

26. Is there additional cost to use Trackit?

Answer: dTrackit is a baseline traceability mechanism offered as part of Textile Exchange certification value add with no or nominal cost. Textile Exchange is still working on the eTrackit pricing model.

27. Do we have to use both digital and electronic Trackit?

Answer: No. Brands can opt to use either or both Trackit programs. However, if either is used –it will need to be end-to-end certified with that mechanism.

28. We are a supplier but a trader. We ship goods from manufacturers on an FOB basis to supply to our customers under their brand. We don't physically handle the product as this is handled by our forwarder. Does this mean that we do not have to be certified?

Answer: If you do not take physical possession of the goods as a trader, you are not required to be certified. If you are handling certified goods as a trader, you will need to be certified.

29. In case of warehouses/distribution centres, where it is passing final products, arriving in bulk packaging and afterwards the goods are shipped in the stores (final destinations), does these centres need to be audited as well?

Answer: If the centre is owned by the brand, this will be included in the scope of their audit. If the warehouse is a third-party logistics(3PL) contracted by the brand, this is out of scope for the audit, but brands need to demonstrate management of these facilities in their audit. If the centre is purchasing the goods outright, or contracted by a retail buyer of the brand, they are not required to be certified.

30. What if a product, whose artwork with supplier license was approved before April 1st, starts production before that date, but finishes the production after?

Answer: As long as the claim was approved, the production can happen after the date but will need a Transaction Certificate at the brand level to back the claim up.

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31. If we have a scope certificate as a brand (we are already certified), do we still need to register to the Portal (<https://www.tfaforms.com/5025276>)?

Answer: No. If you already have a Scope Certificate you can just start using that license number on your claims application and select the transition date that works for you.

32. If the brand is audited i.e. in summer or June and they don't pass the audit and there is a corrective action which pushed them past the due date, what will happen?

Answer: Starting June, Textile Exchange will reach out to Brands that are in the process of getting certified to make sure that brands are on track, they've been audited or have an audit scheduled. Textile Exchange will take it on case-by-case basis. If there is a case where there is a brand whose non-conformance is not closed yet by end of June, then Textile Exchange will talk to the CB for this specific case.

CONTACT US:

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Visit our website here: www.intertek.com/assurance/textile-exchange/