

# Content Claim Standard 3.0: Consultation Feedback Summary

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## Introduction

Textile Exchange is committed to building credible, internationally recognized standards that include assurance and monitoring and evaluations systems. As a member of ISEAL, Textile Exchange follows three [Codes of Good Practice](#) in addition to its own procedures for [Standard Setting](#), [Accreditation and Certification](#).

The Content Claim Standard (CCS) provides the chain of custody criteria for all Textile Exchange standards. The standard verifies the presence and amount of a given claimed material in a final product. It provides a strong chain of custody system from the source to the final product which is then 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 CCS is the foundation of the Textile Exchange standards.

In April 2020, Textile Exchange launched a comprehensive revision of the Content Claim Standard 2.0.

- An initial 30-day open feedback period on CCS 2.0 was held in May 2020. Find a summary of the feedback received [here](#).
- Following the work of the International Working Group, a two-month public comment period was held from March 1 to April 30, 2021 on the Draft CCS 3.0.

This document provides a summary of the feedback received during the public comment period and how the feedback was addressed in CCS 3.0. A full list of all comments received (anonymized) is available upon request.

## Stakeholder Participation

### Total Number of Stakeholders

- Brands/Retailers: 5
- Professional Services: 7
- Supply Chain: 3

### Geographic Region of Stakeholders

- Asia: 2
- Europe: 12
- North America: 1

Stakeholders from the following countries submitted comments during the public comment period: Germany, India, Italy, Spain, Switzerland, Turkey, and the United States. We were happy to receive feedback from a stakeholder in Bangladesh. We did not hear from any stakeholders in China, which is, together with Bangladesh, one of the fastest growing countries adopting our standards.

# Analysis of Comments Received During the Public Comment Period

## Principles of CCS Certification

### Assurance System

- A1.1** Out of the 71 comments received, multiple comments related to Assurance topics, such as providing clarity around announced vs. unannounced audits, determining risk levels for trader audits, or validity timelines of scope and transaction certificates.

CCS 3.0 Approach: These topics are out of scope of the CCS itself and are addressed in assurance-related documents, such as the Accreditation and Certification Procedures, the CCS Certification procedures, or our scope certificate and/or transaction certificate policies. Where relevant, we have added guidance in the User Manual on where to find additional information within the applicable policies.

- A1.2** One brand recommended to explain how a certification decision is made and what conformity to the standard means in practice.

CCS 3.0 Approach: We added a new section entitled “Standard conformity and certification decision” under “How to use This Document” to clarify. We also link back to the CCS certification procedures where more detail can be found.

### Scope: Trader certification

- A1.3** Trader certification in CCS 2.0 was perceived as overly burdensome without necessarily contributing to the credibility of claims. CCS 3.0 introduced clearer criteria for trader certification, including that traders without physical possession are no longer required to be certified and that the audit frequency of traders will correspond to a risk assessment. Some stakeholders voiced concerns that not auditing all traders, regardless of physical possession of product, may contribute to a broken chain of custody.

CCS 3.0 Approach: Clarity around trader certification was introduced under B1.2 and B1.3 in the CCS 3.0, beginning with clearer criteria on who is considered a trader and how they should be audited (based on risk, see certification procedures). We felt that building those nuances and clarifications into the CCS 3.0 vs. requiring trader certification at all times maintains the credibility and integrity of our system, without adding unnecessary cost and complexity. The certification procedures will allow for remote trader audits for sites without physical possession of claimed product.

## Management System Criteria

### Chain of Custody Model

**A1.4** Textile Exchange launched a mass balance pilot earlier in 2021 and pilot audits were conducted with three participants by two certification bodies. All three participants would like to see a mass balance approach in the CCS. A brand who is sourcing materials made out of recycled tires from one of the pilot participants spoke in support of a mass balance approach for the chemical industry. Another brand was interested in supporting new viable recycling technologies even on a molecular level and felt confident that, through robust transaction certificates, transparency on the allocation could be ensured.

CCS 3.0 Approach: The Content Claim Standard 3.0 relies on batch-level segregation of certified products, for both 100% certified content and blended products. We recognize that this model may not be implementable for sites who run continuous production processes and are unable to maintain batch level segregation. These sites are typically early in the textile supply chain and their inclusion presents an opportunity for meaningful positive impacts.

Textile Exchange is therefore allowing the use of alternative volume reconciliation (“VR2”) by sites which meet particular criteria. Reconciliation criteria are based on a “site-level mass balance” model at the level of an individual site. For exact criteria, please see policy *CCS-105-V1.0 Alternative Volume Reconciliation (VR2)*.

**A1.5** Since the beginning of the CCS revision, Textile Exchange received feedback to consider innovations in traceability, such as tracer technology or tracking chain of custody electronically, rather than via scope and transaction certificates alone.

CCS 3.0 Approach: This feedback is being addressed outside of the CCS 3.0 for now. Textile Exchange has partnered with Fashion for Good to work on an assessment framework for tracer technology, including DNA tracers, isotopes, and fluorescent applications. Following the assessment, we may update the CCS Certification Procedures to include learnings. Textile Exchange is also exploring opportunities to replace traditional transaction certificates with electronic tracking opportunities. When learnings are available, changes will be addressed through certification procedures and *ASR-104 Policy for Transaction Certificates*, rather than the CCS itself.

### Subcontractor certification

**A1.6** The topic of subcontractors has also garnered a lot of interest during the CCS revision. CCS 3.0 contains more clarity on who qualifies as a subcontractor and what auditing requirements look like in particular. A new outsourcing section (C5) has been drafted in CCS 3.0, which includes that contracts will now be required with all subcontractors and also contains new criteria for organizations acting as subcontractors. Out of the 21 comments received on this topic, most applauded these clarifications but flagged that

risk assessment criteria should be in place. A few stakeholders had questions around how the audits of subcontractors would take place and how the flow of transaction certificates would work. One stakeholder voiced concerns around the cost of certification for subcontractor certification.

CCS 3.0 Approach: Risk assessment criteria were recently defined in the CCS Certification Procedures 2.0 and will be further clarified in the updated version of the certification procedures (3.0). The audit methodology of subcontractors and transaction certificate flow will be clarified in the CCS certification procedures and the Policy for Transaction Certificates respectively. The feedback of certification cost is also out of scope for the CCS itself and will be revisited as part of fee schedule updates.

## Processing and Handling Criteria

- A1.7** One supply chain member voiced concerns that creating a CCS management system in addition to the ones already in place would be too burdensome.

CCS 3.0 Approach: We have clarified in the CCS User Manual that the management system required in the CCS may be integrated into an already existing quality management system, such as ISO 9001.

- A1.8** One supply chain member recommended to drop the requirement of internal inspections.

CCS 3.0 Approach: We feel that internal inspections will favorably affect the conformity with a standard so we will continue to require internal inspections.

- A1.9** Three comments revolved around requirements under transport and sale, mainly with the ask to be more prescriptive in the type of documents needed to verify conformity.

CCS 3.0 Approach: We have streamlined the wording of criteria around necessary documentation and provided additional examples in the CCS User Manual.

- A1.10** One brand and retailer noted that there may be cases where a buyer specifies they want certified material, but they wouldn't make claims regarding certified materials. In this case, requiring transaction certificates would be an added cost that would not add much value. Another supply chain member with customers who purchase 100% recycled products (which are claimed as GRS on marketing materials) flagged that buyers are often not interested in GRS certification and paying for transaction certificates due to the high cost.

CCS 3.0 Approach: We have strengthened the criteria to have transaction certificates in place at all times to maintain the integrity of the standard. Products cannot be advertised as certified if not accompanied by a transaction certificate.

## Brand Criteria

**A1.11** Post-production certification in CCS 2.0 was perceived as overly burdensome and confusing by many of our stakeholder brands. The goal of the revision was to make the system easier to navigate. Seven comments were received on the updated brand criteria in section E, formerly known as brand exemptions in CCS 2.0. The majority found the criteria easier to understand. Some asked for clarification on how the updated criteria would pertain to their specific supply chains.

CCS 3.0 Approach: The approach to brand certification is a key content change in the CCS. Rather than a set of brand exemptions, we drafted a set of criteria for brand certification and also created a new definition of “brand”. CCS 3.0 now requires certification up to the brand, regardless of if the brand is the seller in the final business to business transaction or sells direct to consumers only. Brand network certification and 100% exemption known from CCS 2.0 have been dropped, whereas batch code labelling remains an option. Under CCS 3.0, no outgoing transaction certificates from the brand will be required.

**A1.12** While retailers remain out of the scope of the CCS, a few retailers asked us for more retailer guidance on claims that can be made and which documents to ask for. Simultaneously, brands requested guidance on resources they could send to their retailers.

CCS 3.0 Approach: This feedback will be addressed outside of the CCS 3.0. As part of the updated claims framework, and we are planning to create guidance documents for retailers engaging with the standards.

## Multi-Site and Group Criteria

**A1.13** In CCS 2.0, we allowed for multiple sites to be included on the same scope certificate, though it was not always clear who may be included in one scope certificate. Stakeholders suggested to incorporate group certification similar to farm group certification and asked us to determine if special criteria (e.g. ICS) or options (e.g. audit sampling) are needed for multi-site certifications.

CCS 3.0 Approach: In CCS 3.0, we created a new section, section F, for multi-site and group certification to clarify requirements, adapting learnings from the Responsible Down Standard (RDS) and Responsible Animal Fiber (RAF) farm group criteria. In the spirit of continuous improvement, we will be launching a pilot to begin later in 2021 to further strengthen our approach to multi-site and group certification. Two separate policy documents will be published following the pilot projects:

- CCS-106 Policy for Supply Chain Group Certification
- CCS-107 Policy for Multi-Site Certification with Sampling of Sites