

Terms and Conditions for Textile Exchange Certification



1. General information

- 1.1. These Terms and Conditions apply to all organizations that have signed a contract agreement with any TÜV SÜD legal entity (hereafter as "TÜV SÜD" or "Certification Body") for the provision of Textile Exchange certification services.
- 1.2. By signing this, both parties agree with *Testing, Certification, Validation and Verification Regulations (TCVVR) within the TÜV SÜD Group* and *Terms and Conditions for the relevant legal entity* under <https://www.tuvsud.com/en/terms-and-conditions>.

2. General Introduction

- 2.1. Textile Exchange (TE): a global non-profit organization driving positive impact on climate change across the fashion and textile industry. Its goal is to help the industry to achieve a 45% reduction in the emissions that come from producing fibers and raw materials by 2030. To give the fashion and textile industry a way to authenticate their sustainability claims from raw material to final product, Textile Exchange has developed the standards system, see <https://textileexchange.org/standards/>.
- 2.2. Certification body: an accredited third-party carrying out auditing and certification in accordance with the provisions set out in the applicable Standard and the ACP. An accredited certification body may issue scope certificates and transaction certificates. TÜV SÜD is a licensing certification body by Textile Exchange and an accredited certification body by IOAS.
- 2.3. IOAS: a non-profit organization committed to upholding the integrity of ecolabel claims in organic and sustainable agriculture, environmental management, textiles, social justice, and fair trade. IOAS is an authorized accreditation body by Textile Exchange.
- 2.4. Scope Certificate: A document issued by a certification body which verifies that an organization is competent to produce and sell specified claimed materials in conformity with a Textile Exchange Standard.
- 2.5. Transaction Certificate: A document issued by a certification body that verifies that products being sold or shipped from one organization to another conform to a given Textile Exchange Standard and may be treated as claimed materials by the receiver.

3. Overview of Certification Process

- 3.1. Preparation of the Organization for evaluation and certification
 - 3.1.1 The information provided by the organization in the "*Application Form for Textile Exchange Scheme*" provides the basis for the certification. With the signature on the document, the organization confirms the correctness of the data presented there. Any subsequent changes shall be communicated to the Certification Body in writing.
 - 3.1.2 After the positive application review by the certification body, the Organization receives a commercial quotation covering onsite and offsite activities and travel cost.
 - 3.1.3 The Certification Body decides on the composition of the audit team and ensures that the audit team meets the required qualification for carrying out the audit. The name of the proposed audit team is communicated to the organization. This shall help the organization to identify any potential conflict of interest. The organization is entitled to

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reject any auditor if a conflict of interest might occur. In this case, the certification body shall suggest another auditor. The Certification Body reserves the right to carry out applicable quality relevant activities such as monitoring and trainings.

- 3.1.4 An advance review for hybrid and remote audit will be conducted, when applicable. A test call will be conducted prior to the audit when remote audit is allowed.
- 3.1.5 The auditor prepares an audit plan which is sent to the Organization prior to the audit, where audit basic information and activities to be conducted are included.

3.2 Conducting the audit

- 3.2.1 Each audit starts with an opening meeting with the Organization, during which the audit plan is confirmed and adjusted, if necessary.
- 3.2.2 During the audit, the auditors examine and evaluate the effectiveness of the Organization's management system with respect to all requirements of relevant standards. The audit consists of a documentation review, a review of production process on site (if relevant) and interviews with employees of the Organization, or other involved groups. If required, the auditor will request interviews with staff which is conducted without the presence of a management representative so that comments can be given in confidence.
- 3.2.3 When the audit is finished, the Organization is informed of the audit results in a closing meeting.

3.3 Audit Results

- 3.3.1 The audit team evaluates every identified finding to determine whether it constitutes a minor or major or critical non-conformities. Non-conformities lead to "corrective action requests" recorded in the Audit Report with specified deadlines.
- 3.3.2 A non-conformity is considered Critical if serious failure to meet the fundamental principles of the Standards. Critical non-conformities are reserved for requirements identified as critical in the Standard, if available, or for intentional fraud.
- 3.3.3 In case of initial audit, critical non-conformities shall be closed prior to certification. If not closed, scope certificate will not be issued. In case of recertification audit and other types of audit, critical non-conformities shall be closed, and the scope certificate shall be suspended immediately. In all cases, the suspension shall be enacted within a maximum of five business days from the day the critical non-conformity was identified, even if the entire audit has not yet been completed. TÜV SÜD will immediately notify Textile Exchange of all critical non-conformities, including details of the nonconformity. The suspension cannot exceed 180 days or the SC expiry date, whichever comes sooner; if not reinstated before the end of this period, the SC will be withdrawn. When a scope certificate includes multiple sites and a site receives a critical non-conformity, the site may be suspended from the certificate to avoid suspension of the entire scope certificate.
- 3.3.4 Major non-conformities will be issued in the following circumstances but not limited to:
 - i. Failure to fulfil requirements which are indicated as major requirements in the Standard.
 - ii. Where, either alone or in combination with further non-conformities, the non-conformity results in or may result in a fundamental or systematic failure to meet the

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objectives of the Standard. This may be indicated by non-conformities which:

- a. continue over a long period of time.
- b. are repeated or systematic.
- c. affect a wide area.
- d. affect the integrity of the product or the Standard, or
- e. are not corrected or adequately addressed once they are identified.

3.3.5 In case of initial audit, major non-conformities shall be closed prior to certification. If not closed, scope certificate will not be issued. In case of recertification audit, major non-conformities shall be closed within 30 calendar days from the audit (closing meeting) and prior to recertification. If not closed, scope certificate will not be reissued, and will be suspended if the 30-day timeline ends before expiry of the scope certificate. In all other cases, major non-conformity shall be closed within 30 calendar days from the audit (closing meeting). If not closed within the given timeline, scope certificate will be suspended, or scope extension will not be granted. Scope certificates will be suspended immediately if there are five or more open major nonconformities.

3.3.6 Minor non-conformities occur when a single observed lapse has been identified in a procedure required as part of the Organization's management system. Minor non-conformities will be issued in the following circumstances, but not limited:

- i. For requirements which are indicated as minor requirements, unless the certification body determines that the non-conformity is major based on the requirements above, OR
- ii. Where the non-conformity is a temporary lapse, non-systemic, limited in scale, or does not represent a fundamental failure to achieve the objectives of the Standard.

3.3.7 Minor non-conformity shall be closed within 60 days from the audit. If not closed, minor non-conformity is upgraded to become a major non-conformity with a timeline 30 days from the original deadline. TÜV SÜD may grant extensions for minor non-conformities when circumstances are beyond the Organization's control.

3.3.8 Shorter timelines may be given when the TÜV SÜD believes they are justified.

3.4 Issuance of a scope certificate and transaction certificate

3.4.1 After technical review and certification decision by the Certification Body, the Organization receives the Audit Report. The Organization has the right to comment on the report and/or appeal against the certification decision within 14 days.

3.4.2 For a scope certificate to be issued, this implies compliance with all standards requirements without non-compliances. The payment of all obligations towards the TÜV SÜD and the Organization who signing of service agreement, must be fulfilled for granting the certificate.

3.4.3 The scope Certificate is valid for a maximum of one year from the date of issue.

3.4.4 Following the shipment of certified products to the given standard(s), the Organization can apply for a transaction certificate. Only products accompanied with a TC can be treated as "certified".

4. Recertification Audit, semi-announced, unannounced audit and special visits

4.1 The Organization acknowledges that TÜV SÜD will perform a Recertification Audit annually before the expiry date of the Scope Certificate.

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- 4.2 Recertification audit would be conducted two or three months prior to the expiry of the scope certificate, to ensure a continuous certification.
- 4.3 Special or additional visits might be required if any non-conformity is found during in audit.
- 4.4 A semi-announced or unannounced audit might be conducted to certified Facilities during the validity period of the certification to ensure that the Organization continues to satisfy the requirements of the Standard(s) for which it is certified. The certification body will conduct semi-announced audits and unannounced additional audits for at least 2% of sites and associated subcontractors which are TÜV SÜD sampled according to Textile Exchange policy. Notice of no more than 48 hours may be given in advance of a semi-announced audit and 2 hours in advance of unannounced audit. Unannounced On-Site Audits are in addition to the requirement for annual On-Site Audits and do not affect the validity date of the Scope Certificate.
- 4.5 TÜV SÜD may conduct additional verification to Material Collectors and/or Material Concentrators that supply directly to the Organization. The additional verification will cover 10% of the total number of reclaimed material suppliers (minimum 1, if less than 10) randomly selected, with 2% chosen for physical inspection.

5. Duties and responsibilities

5.1 Obligations of the certification body

- 5.1.1 TÜV SÜD is obliged to handle all information from the Organization as proprietary information, regarding it as confidential and using it only for the agreed purpose. The documents presented are not passed to third parties. The only exception is a submission of a detailed report to an arbitration authority or Textile exchange in case of a dispute or accreditation assessment by accreditation body. Th Organization may relieve TÜV SÜD from these confidentiality obligations. Moreover, accreditation authorities are not regarded as “third party” in this respect.
- 5.1.2 The Organization acknowledges Textile Exchange's right to change the Standard and certification requirements and that certification is conditional on conforming to a new or revised version of the applicable Standard and new or revised certification requirements within the timeframes established by Textile Exchange. If revisions to Standards and/or TÜV SÜD(China)'s requirements are adopted, TÜV SÜD shall determine the nature and extent of the necessary additional Audit activity, if any, and the required schedule for TÜV SÜD to confirm conformity with the revised requirements.
- 5.1.3 TÜV SÜD is obliged to submit certification information to Textile Exchange data system, which will be considered as public information. The information is also shared with accreditation body as per its regulation.

5.2 Obligations of the Organization

The organization shall agree to:

- 5.2.1 return the original certificate and all copies to the TÜV SÜD if the certificate is suspended or withdrawn.
- 5.2.2 allow the TÜV SÜD to exchange information with other accredited certification bodies, authorized accreditation bodies, and Textile Exchange, as part of its ongoing evaluations.

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- 5.2.3 agree to receive email communication from Textile Exchange and communicate directly with Textile Exchange regarding certification and Standards.
- 5.2.4 disclose all information about any Textile Exchange Standard certification-related activity with other certification bodies.
- 5.2.5 confirm that it is not currently engaged, nor will it engage, with another certification body to certify them against the same Textile Exchange Standard(s) at the same time.
- 5.2.6 inform the TÜV SÜD about any other certifications and certification body relationships that share the same scope as the Textile Exchange Standard(s)
- 5.2.7 make all necessary arrangements for:
- the conduct of audits, including providing documentation and records, and access to relevant facilities, equipment, location(s), area(s), personnel, and organization's subcontractors, and
 - the investigation of complaints or other stakeholder comments.
 - the participation of observers.
- 5.2.8 inform the TÜV SÜD, without delay, of changes that may affect its ability to conform with the certification requirements, including but not limited to changes in the following:
- legal, commercial, organizational status, or ownership.
 - organization and management (e.g. key managerial, decision making, or technical staff).
 - contact address.
 - scope of operations
 - major changes to the management system and processes; and
 - the environmental and social impact of the certified organization caused by incidents or events (if applicable to the audit scope).
- 5.2.9 consent to Textile Exchange and the accreditation body having the right to observe audits conducted by the TÜV SÜD
- 5.2.10 accept that the TÜV SÜD may conduct semi-announced audits, unannounced audits, and/or confirmation visits, for the purpose of monitoring the organization's conformity.
- 5.2.11 accept that the accreditation body also has the right to conduct audits of the Organization, including semi-announced audits, unannounced audits, and confirmation visits, for the purpose of monitoring TÜV SÜD conformity with Textile Exchange requirements.
- 5.2.12 accept that the accreditation body and Textile Exchange may become engaged in the case that a complaint or appeal escalates beyond the TÜV SÜD's authority and agrees to cooperate with investigations.
- 5.2.13 agree that Textile Exchange is given access to Organization data. Access is offered on the premise that Textile Exchange personnel have each signed a confidentiality agreement and conflict of interest declarations, and both required and used in a manner consistent with TE-501 Textile Exchange Standards Data Policy.
- 5.2.14 agree to adhere to the data policy specified in TE-501 Textile Exchange Standards Data Policy and to obtain the same agreement from all sites to be included in the scope of certification.

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5.2.15 if the application is for GRS certification, confirm that it does not hold an RCS scope certificate with another certification body, unless the RCS scope certificate is in the process of being transferred to TÜV SÜD (China).

5.2.16 if the application is for RCS certification, confirm that it does not hold a GRS scope certificate with another certification body, unless the GRS scope certificate is in the process of being transferred to TÜV SÜD (China).

6. Certification and Use of standard Logo

6.1 For the duration of its certification, the organization can market and communicate the certification as well as use the standard logos, provided that all the requirements set out in the TE-301 Standards Claims Policy and TE 302-Standards Logo Use Specifications (available at Textile Exchange website: <https://textileexchange.org>), as applicable, are fulfilled.

6.2 The Organization shall:

6.2.1 conform with the applicable Logo Use and Claims Guide, and any other requirements specified by Textile Exchange when referencing its certification or using marks of conformity in communication media such as documents, brochures, or advertising.

6.2.2 only make claims regarding certification consistent with the scope of certification and following the issuance of the scope certificate.

6.2.3 discontinue its use of all advertising material that contains any reference to or claims regarding Textile Exchange and the Standard upon suspension, withdrawal or expiry of certification.

6.2.4 give TÜV SÜD access to examine the goods, products, wraps, packaging, containers, publicity material and all other such items bearing or indicating the certificate Logo for the purpose of confirming compliance with these rules of use and the Scope Certificate.

6.2.5 not use its product certification in such a manner as to bring TÜV SÜD into disrepute and shall not make any statement regarding its products certification that TÜV SÜD may consider misleading or unauthorized.

6.3 TÜV SÜD is entitled to check for proper use of certification claim and logo on products and communication media during the certification process but not responsible for their use in the marketplace. It is the duty of the Organization to fulfil the relevant requirements.

7. Termination, Reduction, Suspension, or Withdrawal of Certification

7.1 TÜV SÜD has the right to reduce the scope of a certificate, suspend or withdraw a Certificate in case of the following conditions:

- i. if the Certificate is used other than as provided for in the standard terms and conditions in place.
- ii. if the certified management system has persistently or seriously failed to meet certification requirements
- iii. if the applicant does not allow quality activities to be conducted specified by TE

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- iv. if the applicant is found not be truthful with TÜV SÜD regarding the status and effectiveness of the applicant's management system or any of their obligations stated within this agreement.
- v. if the applicant has voluntarily requested a suspension / withdrawal.
- vi. non-payment of fees.
- vii. If the applicant does not reply with required corrective actions in the time frame identified.

7.2 Upon notice of suspension or withdrawal of certification, the applicant shall discontinue its use of all advertising matter that contains any reference to a certified status (e.g., Printed materials, website, etc).

7.3 In addition, the organization shall acknowledge that:

7.3.1 TÜV SÜD shall inform Textile Exchange, the accreditation body and all direct customers who have received transaction certificates from a certified Organization during the previous 12 months when a scope certificate is suspended or withdrawn.

7.3.2 If a scope certificate is suspended for 180 days or until its expiry date – whichever is sooner – the scope certificate shall be withdrawn.

7.3.3 TÜV SÜD shall not issue a transaction certificate if a complete and valid application is not received within 90 calendar days after the scope certificate is suspended or withdrawn and shall not permit a suspended organization to sell claimed materials or to use logos or labels for the Standard.

7.3.4 In all cases, if a scope certificate is not issued within 60 days of an initial audit, or if a certificate is suspended for 180 days or until its expiry, whichever is shorter, a new audit is needed before the organization may become (re-)certified.

8. Certification records

TÜV SÜD maintains certification project documentation records for ten years after they are invalid.

9. Notification about changes in the certification procedure

TÜV SÜD informs the Organization by e-mail about substantial changes in its certification and auditing procedures and/or about changes in the standards and requirements relevant to the certification.

10. Complaints and Appeals

Any complaints or appeal can be addressed to "TÜV SÜD Certification and Testing (China) Co., Ltd. Shanghai Branch. 12F, No.151 Heng Tong Road, Jingan District Shanghai 200070 P.R. China" and email address as certification. china@tuvsud.com.