



The Good Cashmere Standard[®]

by AbTF

Chain of Custody Guidelines



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INTRODUCTION

The Good Cashmere Standard® (GCS) is an initiative of the Aid by Trade Foundation (AbTF). The Foundation, established in 2005, supports two programmes, Cotton made in Africa and The Good Cashmere Standard, both of which harness market forces rather than relying on donations. The objectives of GCS are to promote animal welfare in cashmere production, encourage social responsibility in farms of all sizes, protect the environment and support biodiversity in Inner Mongolia.

GCS makes the textile value chain transparent to all stakeholders: brands, retailers and consumers. International retailers and brands that join GCS buy sustainably produced cashmere at world market prices. In return, they receive support to smoothly integrate the raw material into their value chains. GCS-certified cashmere is processed in all the major textile production markets. At the end of the textile chain, partner companies pay a nominal license fee to the Foundation that is then reinvested to benefit the farmers and their animals in Inner Mongolia.

Although GCS is managed and owned by AbTF, the exclusive right to sell licenses for the GCS brand is held by ATAKORA GmbH. Responsibilities for supply chain management and business development also lay with ATAKORA GmbH.

Please contact us for further information.

Your GCS team

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THE RETAILER/BRAND (RB)

Before certified cashmere can be used and labelled as such on the products of any RB, GCS concludes a licensing contract with them.

The RB pays a license fee which has two different components, both mandatory:

1. The partnership fee
2. A volume-based fee

The RB must give GCS information about their supply chain. GCS provides a template supply chain form for this purpose. The data provided by the RB is then used to create records in the GCS Cashmere Tracking System (CATS). These records enable GCS orders to be placed as well as tracked. Each RB needs to be registered on CATS to be able to track their orders. They may be charged an annual fee for this service, depending on the number of users in the system.

There are two types of labels: the Standard Label and the Premium Label. Only partners who can prove that their products meet the quality criteria defined below are entitled to use the black **Premium Label**. These include:

- ✓ a minimum staple length of 34-36 mm
- ✓ a maximum fibre diameter of 15.5 microns
- ✓ that cashmere is obtained from white goats only
- ✓ that the product contains 100 percent cashmere
- ✓ that the cashmere is marked to enable the wool to be tracked transparently from the finished product back to the raw material

All GCS labels are developed by and must be purchased exclusively from:

Nilorn Germany GmbH
Itterpark 7, 40724 Hilden, Germany
+49 (0) 2103 / 908 16 0
info@de.nilorn.com

The RB must instruct the readymade garment manufacturer (RMG) to purchase these labels only from Nilorn, the company designated above. GCS must be informed by the RB when they have placed an order, so that it can be recorded in CATS and a label can be dispatched. A template order form will be provided. Detailed information about how to use CATS can be found in the CATS User Manual.



THE READYMADE GARMENT MANUFACTURER (RMG)

The readymade garment manufacturer (RMG) buys GCS certified yarn or fabric from a source that is itself also certified as meeting The Good Cashmere Standard® by AbTF. The contact details of eligible sources are available from GCS.

Each RMG must be registered in CATS to accept and track orders placed by an RB. Whenever an order is placed in CATS, the RMG needs to provide purchasing information about the yarn, cashmere or fabric being procured. It must also apply for GCS labels through CATS. Detailed information about the registration process is available at GCS and is explained in the CATS User Manual.

THE SPINNING MILL (SM)

A spinning mill (SM) purchases dehaired cashmere from a certified GCS source and processes it into yarn.

Every SM that wishes to register with GCS must fill in the GCS registration form, which includes acceptance of the GCS code of conduct. The form is available online or can be requested from GCS. Completed forms are kept on file by GCS for reference. The SM must ~~also~~ pay a registration fee. An invoice for the current fee is issued by GCS. Once GCS receives a completed GCS registration form and payment for the fee, the SM gets a GCS Registration Certificate, which is valid for 12 months.

Each SM must present proof of its purchase of cashmere from a GCS certified source. The proof must contain the source's name and the quantity of GCS cashmere. The SM will get access to CATS as soon as they are registered and have purchased cashmere from a certified source. A spinning mill cannot be registered if no GCS cashmere has yet been purchased.

A SM is only able to sell GCS yarn to an RB if the SM receives the order via CATS.



THE YARN TRADER (YT)

A yarn trader (YT) purchases certified yarns from a registered SM. Every YT that wishes to register with GCS must fill in the GCS registration form, which included acceptance of the GCS code of conduct. The form is available online or can be requested from GCS. Completed forms are kept on file by GCS for reference. The YT must pay a registration fee if it is an externally registration and not part of the supply chain from RB. An invoice for the current fee is issued by GCS. Once GCS receives a completed GCS registration form and payment for the fee, the YT gets a GCS Registration Certificate, which is valid for 12 months.

Each YT must present proof of its purchase of cashmere yarn from a GCS registered SM. The proof must contain the spinner's name and the quantity of GCS yarn. The YT will get access to CATS as soon as they are registered and have purchased yarn from a registered source. A yarn trader cannot be registered if no GCS yarn has yet been purchased.

THE CASHMERE PRODUCER (CP)

The cashmere producer (CP) is the entity, such as a buying station and/or dehairing station, that is in direct contact with the farmers. The CP needs to apply for certification to show that it adheres to The Good Cashmere Standard® by AbTF.

In order to apply, the CP needs to provide the name and contact details of the farmers that the CP wants to include in the verification process. GCS can provide a template that sets out the information required. Please note, in addition to the farmers' contact details, each farmer's **grazing permit ID (issued by the local authority) must be provided**. This unique number is used to identify the farmer throughout the verification process and is necessary to register the farmer. Nominated farmers will receive a self-assessment questionnaire (usually via WeChat). Their answers will be evaluated and used as the basis upon which decisions are made about on-site audits. When the verification process has been successfully completed, the CP will receive a certificate which is valid for 12 months.

The CP must follow certain reporting criteria which GCS will explain to them.



THE CASHMERE VENDOR (CV)

The cashmere vendor (CV) is an entity that processes dehaired GCS cashmere into yarn, fabric, or readymade garments. **The CV always has direct contact with farms.**

The CV has to apply for a GCS Registration Certificate and it plays an important role in implementing the GCS. The CV together with verified farms receives Corrective Action Plans issued by GCS with recommendations for improvements to be made. The CV must have an effective management system and sufficient staff capable of implementing GCS.

The CV must also appoint a **Vendors Implementation Manager (VIM)** to be responsible for GCS matters. This person should have the knowledge and experience necessary in order to:

- ✓ handle all necessary GCS related communication
- ✓ coordinate GCS matters within the vendor's premises
- ✓ act as a liaison between AbTF, the auditors, and farmers on GCS matters
- ✓ submit Self-Assessments and Continuous Improvement Plans annually
- ✓ oversee compliance, implementation and monitoring of the farmers' performance against GCS requirements

The CV must put in place a system to collect and compile data, as well as to report it fully, accurately, and in accordance with the data reporting template provided by GCS.

THE GCS CASHMERE TRACKING SYSTEM (CATS)

GCS has a Cashmere Tracking System (CATS), which tracks cashmere orders as they are fulfilled through the supply chain, from the CP to the RB. The system is triggered by orders from RBs and includes all partners in the supply chain fulfilling GCS orders.

The retailer regularly exports data on orders into CATS via an interface or as an Excel file. The RMG is the first link in the RB's supply chain as it receives their data. The RMG must acknowledge the record it receives detailing the order. It must then specify the fabric or yarn manufacturer that the GCS cashmere will be obtained from to fulfill the order and send an order to that yarn/fabric mill. In its turn, when the yarn/fabric mill receives an email about this order, it also has to acknowledge it in the system and place the GCS order with an SM. The SM then provides information on the certified CP that the GCS cashmere has been purchased from. The volumes in the CP and SM supply chain links will be managed and controlled through CATS. Detailed information is provided by GCS in the CATS User Manual.