



# THE GOOD CASHMERE STANDARD® BY ABTF

CHAIN OF CUSTODY GUIDELINES

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# 1 Introduction

### 1.1 The Good Cashmere Standard® (GCS)

The Good Cashmere Standard® (GCS), an initiative by the Aid by Trade Foundation, is one of the world's leading standards for sustainably produced cashmere. It was created to improve the animal husbandry of cashmere goats, the lives of herders in Inner Mongolia, and the environment in which they live. GCS is working with a wide-ranging network of partners in China throughout the textile value chain as well as non-governmental organisations to ensure the implementation of the standard and to support the proper processing of verified

raw materials throughout the world. By maintaining licensing contracts with several international retail and brand partners, GCS is helping increase the demand for GCS-verified cashmere.

As the trading company of the Aid by Trade Foundation, ATAKORA is responsible for the marketing and the supply chain management of The Good Cashmere Standard® brand. ATAKORA will be the contracting partner at each level of the supply chain.

### 1.2 SCOPE

The GCS Chain of Custody Guidelines specify the basic rules for GCS's implementation. They define the requirements for all supply chain organisations that buy or sell any GCS product (e.g. raw cashmere, dehaired cashmere, yarns, fabrics, or garments).

Since chain-of-custody requirements may vary between different types of supply chain organisations, these

main chapters are divided into sections, one for each of the following: herders (who grow the raw material), cashmere producers (who collect, buy, and process the raw material and sell dehaired cashmere), spinning mills, yarn traders, fabric producers, ready-made garment producers, and retailers/brands.

# 2 Definition of parties involved

## 2.1 Terminology and Definitions

TERM	DEFINITION
Aid by Trade Foundation (AbTF)	Owner of the GCS, RCS & CmiA standards.
ATAKORA Fördergesellschaft GmbH	Trading company of the Aid by Trade Foundation that is responsible for the marketing and the supply chain management of GCS.
Buying station (BS)	The buying station is the entity that buys and collects the raw cashmere from the herders. For simplification, the Chain of Custody Guidelines combine buying and dehairing stations under the term "cashmere producer" (CP).
Cashmere Tracking System (CATS)	The GCS tracking system used by all members of the GCS supply chain who are trading or producing GCS cashmere, GCS yarns, GCS fabrics, or GCS products. Whenever an order is placed in CATS by a retailer/brand, the relevant ready-made garment producers, fabric mills, yarn traders, or spinning mills need to provide information about the sold GCS product.
Code of Conduct	A Code of Conduct (PDF) <sup>1</sup> is a set of rules outlining the norms and responsibilities or proper practices of an individual party or an organisation.
Conventional cashmere	Refers to any cashmere that was not produced by GCS-verified herders. Conventional cashmere can include cashmere verified under other sustainability standards.
Dehaired cashmere	Dehaired cashmere is processed cashmere that has been washed, scoured, and dehaired.
Dehairing station (DS)	Dehairing stations process raw cashmere through washing, scouring, and dehairing. They sell dehaired cashmere. For simplification, the Chain of Custody Guidelines combine buying and dehairing stations under the term "cashmere producer" (CP).
GCS cashmere	Cashmere produced by GCS-verified cashmere producers and herders.
GCS herder	A GCS herder is a herder who takes part in the GCS programme and produces its cashmere in accordance with GCS criteria.
GCS product	Any GCS cashmere or GCS cashmere-containing product that is bought or sold under the GCS claim (e.g. GCS yarn or GCS fabric).
GCS cashmere producer (CP)	Cashmere producers are buying stations (BS) and dehairing stations (DS) which source GCS cashmere from GCS herders. GCS CPs buy raw cashmere and process it into dehaired cashmere, which they sell to the next entity in the supply chain. Buying/dehairing stations and their associated GCS herders in Inner Mongolia are verified for compliance with GCS criteria.

GCS-registered spinning mill (SM)	GCS-registered spinning mills are assigned by GCS licence partners (retailers/brands). They need to be registered in the CATS tracking system. Upon registration, they are allowed to purchase and process GCS cashmere, label yarns containing GCS cashmere as GCS yarns, and sell them to the next entity in the supply chain.
GCS-registered yarn trader (YT)	GCS-registered yarn traders are assigned by GCS licence partners (retailers/brands). They need to be registered in the CATS tracking system. Upon registration, they are allowed to purchase GCS yarns from GCS-registered spinning mills and sell them to the next entity in the supply chain.
GCS-registered fabric mill (FM)	GCS-registered fabric mills are assigned by GCS licence partners (retailers/brands). They need to be registered in the CATS tracking system. Upon registration, they are allowed to purchase GCS yarns from GCS-registered spinning mills and GCS-registered yarn traders, process GCS yarns, and sell GCS fabrics to the next entity in the supply chain.
GCS-registered ready-made garment (RMG) producer (i.e. supplier or manufacturer)	GCS-registered ready-made garment producers are selected by GCS licence partners (retailers/brands). They need to be registered in the CATS tracking system. Upon registration, they are allowed to purchase GCS yarns and GCS fabrics from GCS-registered spinning mills, yarn traders, and fabric mills, process GCS yarns and GCS fabrics, and sell GCS garments/final products to GCS licence partners.
Raw cashmere/greasy cashmere	Raw cashmere is the unprocessed cashmere harvested from the goats. It consists of the soft undercoat and guard hair. Raw cashmere might contain natural foreign matter such as soil, dandruff, or hay.
Retailer/brand (RB)	A person or business that sells goods to the end consumer in relatively small quantities for use or consumption rather than for resale (business-to-consumer or B2C). In this context, the term "brand" meets the same definition. Retailers/brands procuring or selling GCS products must have valid GCS partnership and licensing agreements with ATAKORA.
The Good Cashmere Standard® (GCS)	The Good Cashmere Standard® (GCS) by AbTF (PDF)² was founded by the Aid by Trade Foundation (AbTF) in 2019. The aim of the standard is to provide for the welfare of cashmere goats, to protect nature, and to improve the working conditions of herders and farm workers.
Tracking system	Any tracking system, including CATS and tracking systems from other providers.



### 2.2 CATS Helpdesk

The Good Cashmere Standard® has appointed a service company to deliver support services for the Cashmere Tracking System (CATS) to all parties in the GCS supply chain.

For further details on the CATS helpdesk, please refer to the CATS User Manual.

### cats-support@cats-dss.atlassian.net

Please reach out to the CATS helpdesk for the following issues:

- √ Password updates
- √ Creating CATS user accounts
- √ Questions related to data upload/input and to purchase or sales transactions

# 3 Implementation of GCS

Retailers/brands are responsible for informing their suppliers (ready-made garment producers) about specific GCS implementation requirements. The following requirements also apply for the supply chain, RMGs, FMs, YTs, and SMs:

- GCS cashmere, GCS yarn, and GCS fabric must be segregated at all stages of storage, transport, and processing. Segregation may be physical (e.g. separate production lines) or temporal (e.g. separate production times).
- GCS cashmere, GCS yarn, GCS fabric, and GCS garments must be traceable, clearly documented, and marked at all stages of storage, interfacility transportation, and processing (e.g. with signage and in sales documents).
- No blending of or substitution between GCS cashmere and non-GCS cashmere (conventional cashmere) is permitted at any level of the supply chain. However, GCS cashmere can be blended with other, noncashmere fibres as long as the final product contains a minimum of 5 percent GCS cashmere.
- Physical traceability and clear, transparent documentation (covering aspects including volume, specification [e.g. "GCS cashmere"], and traceable information [e.g. lot numbers]) must be provided at each stage of the supply chain, from GCS-verified cashmere producers to GCS-registered spinning mills.
- It is always the duty and responsibility of the purchasing entity to check whether the delivering entity holds a valid GCS registration.
- Each company buying GCS products (e.g. garments/ textiles, fabrics, or yarns) is obligated to countercheck with its selling business partners whether GCS requirements are correctly fulfilled.





# 4 GCS registration and basic rules

### 4.1 Overview

All organisations handling and/or sourcing GCS cashmere or GCS products are required to maintain a partnership with GCS (please see the table below for the applicable form of partnership).

SUPPLY CHAIN LEVEL	FORM OF PARTNERSHIP WITH GCS
Cashmere producer (CP)	Partnership
Spinning mill (SM)	GCS registration and naming on the GCS website
Yarn trader (YT)	GCS registration
Fabric mill (FM)	GCS registration
Ready-made garment producer (RMG)	GCS registration
Retailer/brand (RB)	Partnership and licensing contracts

### 4.2 The Cashmere Producer (CP)

### 4.2.1 Administrative Set-Up

The cashmere producer, meaning a buying station and/or dehairing station, must fulfil the following requirements to successfully receive a GCS certification and to be able to sell GCS cashmere:

- Provide the name and contact details of the herders whom the cashmere producer wants to include in the verification process.
- Provide each herder's grazing permit ID (issued by local authorities); this unique number is used to identify herders throughout the verification process and is necessary to register each herder.
- CPs hold a certificate for the successful completion of the verification process; these certificates are valid for twelve months.

- Accept the GCS Code of Conduct 
   <sup>™</sup> (PDF)<sup>4</sup> and the GCS Chain of Custody Guidelines.
- Provide company-relevant information with the registration form (e.g. product details).
- Appoint one or more designated representatives who are responsible for ensuring compliance with the GCS Chain of Custody requirements, for recording relevant data (e.g. quantities of greasy cashmere and dehaired cashmere), and for sharing this data no later than six months after the shearing season.
- Appoint a GCS officer and confirm that this person is responsible for ensuring compliance with the GCS Chain of Custody Guidelines and for maintaining the required records and that the officer is trained and competent to fulfil all relevant chain-of-custody requirements.
- BS/DS keep records proving that the cashmere was sourced from GCS-verified farms.

# 4.2.2 Purchase and Collection of GCS Cashmere

Cashmere producers must purchase GCS-verified cashmere only from GCS-verified cashmere herders.

Cashmere producers must accurately document their process for procuring GCS cashmere as well as the flow of GCS cashmere from herders (including the role of any middlemen). They must retain all documents and records related to the purchase, handling, and sale of GCS cashmere for a minimum period of two years. Evidentiary documentation for GCS cashmere purchases must always specifically state "GCS" cashmere.

If any subcontractors/middlemen are assigned to purchase or collect GCS cashmere, cashmere producers must ensure that this GCS cashmere is sourced only from GCS-verified cashmere herders and that the GCS cashmere is separated and traceable.

### 4.2.3 Sale of GCS Cashmere

Cashmere producers must first purchase GCS-verified cashmere before being allowed to sell GCS-verified cashmere.

For sales of GCS cashmere to GCS-registered spinning mills, all sales documents (e.g. contracts, invoices, and shipment documents) must state "GCS" on the document.

It is not allowed to sell GCS-verified cashmere to non-GCS-registered companies.

<sup>3</sup> https://thegoodcashmerestandard.org/wp-content/uploads/2024/03/The-Good-Cashmere-Standard-by\_AbTF\_V2.0\_EN.pdf

<sup>4</sup> https://thegoodcashmerestandard.org/wp-content/uploads/2024/01/Code-of-Conduct-2023.pdf

### 4.2.4 Tracking System Data Entry

The GCS cashmere purchase amount will be entered into CATS or another tracking system by **AbTF after** each shearing season. Each GCS cashmere sale is entered by the spinning mills. Cashmere producers can monitor the input-output balance in whichever tracking system is used.

Detailed information about the usage of and data entry into the tracking systems can be found in the respective user manuals.

Cashmere producers using an AbTF/ATAKORA-approved tracking system other than CATS must adhere to the CoC guidelines of the respective provider.

### 4.2.5 Monitoring/Sanctions

If a cashmere producer cannot verify its purchases and sales of GCS-verified cashmere, AbTF reserves the right to reduce or cancel the cashmere producer's GCS cashmere account inventory, up to the total volume of unverified or fraudulent claims, or even to terminate the certification as a sanction of last resort, meaning that the cashmere producer in question will no longer be allowed to purchase or sell GCS cashmere.

AbTF checks cashmere producers' GCS cashmere account inventory against physical inventory and relevant documents. If the quantities differ, AbTF reserves the right to reduce or cancel the cashmere producer's GCS cashmere account inventory to match the physically stored and proven inventory.

# 4.2.6 Period of Validity of Inventory in the Tracking System

AbTF/ATAKORA invalidates GCS inventory that is not sold within two years after certificate expiry, meaning that the cashmere loses its GCS status and can only be sold as non-GCS cashmere.





# 4.3 The Spinning Mill (SM)

### 4.3.1 Requirements

Spinning mills can start the registration process after a GCS retailer/brand nominates them for GCS yarn production. They must fulfil the following requirements in order to successfully complete the GCS registration process and therefore be able to fulfil GCS orders:

- Purchase GCS cashmere from a GCS-verified cashmere producer (buying station/dehairing station); purchases of GCS cashmere will only be accepted if they were completed less than one year before the date of the application for registration.
- Pay a registration fee.
- Accept the GCS Code of Conduct 
   <sup>™</sup> (PDF)<sup>5</sup> and the GCS Chain of Custody Guidelines.
- Provide company-relevant information (e.g. company address and product details).
- Appoint one or more designated representatives who are responsible for ensuring compliance with the GCS chain-of-custody requirements and for recording relevant data in the tracking system.
- Confirm that the individuals responsible for using the tracking system, for ensuring compliance with the GCS Chain of Custody Guidelines, and for maintaining the required records are trained and competent to fulfil all relevant chain-of-custody requirements.

Once the requirements are fulfilled, the spinning mill will be added to the list of GCS-registered spinning mills on the GCS website (PDF)<sup>6</sup> and will be visible for all RMGs, FMs, and YTs in CATS.

Spinning mills must ensure that the GCS cashmere is kept segregated, clearly marked, and traceable at all stages of storage and processing. No blending of or substitution between GCS cashmere and conventional cashmere is permitted at any stage.

### 4.3.2 Purchase of GCS Cashmere

Spinning mills must purchase GCS-verified cashmere only from GCS-verified cashmere producers (buying stations/dehairing stations). The status of GCS-verified cashmere producers must be checked for updates before buying GCS cashmere. Spinning mills must accurately document their process for procuring GCS cashmere and the flow of GCS cashmere from cashmere producers (including the role of any middlemen). They must retain all documents and records related to the purchase, handling, or sale of GCS products for a minimum of two years.

Evidentiary documentation for GCS cashmere purchases always must specifically state "GCS" cashmere.

<sup>5</sup> https://thegoodcashmerestandard.org/wp-content/uploads/2024/01/Code-of-Conduct-2023.pdf

 $<sup>\</sup>textbf{6} \quad \text{https://thegoodcashmerestandard.org/wp-content/uploads/2024/03/GCS-Spinners\_update\_March2024.pdf} \\$ 

### 4.3.3 Sale of GCS Yarns

Spinning mills must first purchase GCS-verified cashmere before being allowed to sell GCS yarns. For sales of GCS yarns to GCS-registered yarn traders, fabric mills, or ready-made garment producers, all sales documents (e.g. contracts, invoices, and shipment documents) must state "GCS" on the document.

It is not allowed to sell GCS yarn to non-GCS-registered companies.

### 4.3.4 Tracking System Data Entry

Whenever an order is placed in CATS or another tracking system by a retailer/brand, and if this order is conveyed to the spinning mill by the RMG, FM, or YT, the spinning mill must enter the amount of yarn sold as part of this order into the tracking system. This information must be entered within 30 calendar days of the shipment date.

The spinning mill must ensure that all data entered into the tracking system is accurate and can be verified against corresponding documentation (e.g. contracts, invoices, and production records).

Detailed information about the usage of and data entry into the tracking system can be found in the respective user manuals.

Spinning mills using an AbTF/ATAKORA-approved tracking system other than CATS must adhere to the CoC guidelines of the respective provider.

### 4.3.5 Monitoring/Sanctions

If a spinning mill cannot verify its purchases of GCS-verified cashmere or its sales of GCS yarns, or if there is evidence of fraudulent use of the tracking system, The Good Cashmere Standard® reserves the right to reduce or cancel the spinning mill's GCS cashmere account inventory, up to the total volume of unverified or fraudulent claims, as a first step or even to terminate the registration as a sanction of last resort, meaning that the spinning mill will then no longer be allowed to purchase GCS cashmere and to produce or sell GCS yarns.





## 4.4 The Yarn Trader (YT)

### 4.4.1 Requirements

Yarn traders can start the registration process after a GCS retailer/brand nominates them for GCS yarn trading. They must fulfil following requirements in order to successfully complete the GCS registration process and therefore be able to fulfil GCS orders:

- Accept the GCS Code of Conduct 
   <sup>™</sup> (PDF)<sup>7</sup> and the GCS Chain of Custody Guidelines.
- Provide company-relevant information (e.g. company address).
- Appoint one or more designated representatives who are responsible for ensuring compliance with the GCS chain-of-custody requirements and for recording relevant data in the tracking system.
- Confirm that the individuals responsible for using the tracking system, for ensuring compliance with the GCS Chain of Custody Guidelines, and for maintaining the required records are trained and competent to fulfil all relevant chain-of-custody requirements.

### 4.4.2 Purchase of GCS Yarns

Yarn traders must purchase GCS yarns only from GCS-registered spinning mills. The status of GCS-registered spinning mills (PDF)<sup>8</sup> must be regularly checked for updates. Yarn traders must accurately document their process for procuring GCS yarns. They must retain all documents and records related to the purchase, handling, or sale of GCS yarns for a minimum of two years.

Evidentiary documentation for GCS yarn purchases always must specifically state "GCS" cashmere.

<sup>7</sup> https://thegoodcashmerestandard.org/wp-content/uploads/2024/01/Code-of-Conduct-2023.pdf

 $<sup>\</sup>textbf{8} \quad \text{https://thegoodcashmerestandard.org/wp-content/uploads/2024/03/GCS-Spinners\_update\_March2024.pdf} \\$ 

### 4.4.3 Sale of GCS Yarns

Yarn traders must first purchase GCS yarns before being allowed to sell GCS yarns.

For sales of GCS yarns to GCS-registered fabric mills or ready-made garment producers, all sales documents (e.g. contracts, invoices, and shipment documents) must state "GCS" on the document.

It is not allowed to sell GCS yarn to non-GCS-registered companies.

### 4.4.5 Monitoring/Sanctions

If a yarn trader cannot verify its purchases of GCS yarns, or if there is evidence of fraudulent use of the tracking system, The Good Cashmere Standard® reserves the right to reduce or cancel the yarn trader's GCS yarn account inventory, up to the total volume of unverified or fraudulent claims, as a first step or even to terminate the registration as a sanction of last resort, meaning that the yarn trader will then no longer be allowed to purchase or sell GCS yarn.

### 4.4.4 Tracking System Data Entry

Whenever an order is placed into CATS or another tracking system by a retailer/brand, and if this order is conveyed to the yarn trader by the RMG or FM, the yarn trader must enter the amount of yarn sold as part of this order into the tracking system. This information must be entered within 30 calendar days of the shipment date.

The yarn trader must ensure that all data entered into the tracking system is accurate and can be verified against corresponding documentation (e.g. contracts, invoices, and production records).

Detailed information about the usage of and data entry into the tracking system can be found in the respective user manuals.

Yarn traders using an AbTF/ATAKORA-approved tracking system other than CATS must adhere to the CoC guidelines of the respective provider.





# 4.5 The Fabric Mill (FM)

### 4.5.1 Requirements

Fabric mills and fabric producers can start the registration process after a GCS retailer/brand nominates them for GCS fabric manufacturing. They must fulfil the following requirements in order to successfully complete the GCS registration process and therefore be able to fulfil GCS orders:

- Accept the GCS Code of Conduct 
   <sup>™</sup> (PDF)<sup>9</sup> and the GCS Chain of Custody Guidelines.
- Provide company-relevant information (e.g. company address).
- Appoint one or more designated representatives who are responsible for ensuring compliance with the GCS chain-of-custody requirements and for recording relevant data in the tracking system.
- Confirm that the individuals responsible for using the tracking system, for ensuring compliance with the GCS Chain of Custody Guidelines, and for maintaining the required records are trained and competent to fulfil all relevant chain-of-custody requirements.

### 4.5.2 Purchase of GCS Yarns

Fabric mills must purchase GCS yarns only from GCS-registered spinning mills and GCS-registered yarn traders. The status of GCS-registered spinning mills [27] (PDF)<sup>10</sup> must be regularly checked for updates. Fabric producers must accurately document their process for procuring GCS yarns. They must retain all documents and records related to the purchase, handling, or sale of GCS fabric for a minimum of two years.

Evidentiary documentation for GCS yarn purchases

Evidentiary documentation for GCS yarn purchases always must specifically state "GCS" cashmere.

<sup>9</sup> https://thegoodcashmerestandard.org/wp-content/uploads/2024/01/Code-of-Conduct-2023.pdf

<sup>10</sup> https://thegoodcashmerestandard.org/wp-content/uploads/2024/03/GCS-Spinners\_update\_March2024.pdf

### 4.5.3 Sale of GCS Fabrics

Fabric mills must first purchase GCS yarns before being allowed to sell GCS fabrics.

For sales of GCS fabrics to GCS-registered ready-made garment producers, all sales documents (e.g. contracts, invoices, and shipment documents) must state "GCS" on the document.

It is not allowed to sell GCS fabric to non-GCS-registered companies.

### 4.5.4 Tracking System Data Entry

Whenever an order is placed in CATS or another tracking system by a retailer/brand, and if this order is conveyed to the fabric mill by the RMG, the fabric mill must enter the amount of fabric sold as part of this order into CATS. This information must be entered within 30 calendar days of the shipment date.

Fabric mills must ensure that all data entered into the tracking system is accurate and can be verified against corresponding documentation (e.g. contracts, invoices, and production records).

Detailed information about the usage of and data entry into the tracking system can be found in the respective user manuals.

Fabric mills using an AbTF/ATAKORA-approved tracking system other than CATS must adhere to the CoC guidelines of the respective provider.

### 4.5.5 Monitoring/Sanctions

If a fabric mill cannot verify its purchases of GCS yarns or its sales of GCS fabric, or if there is evidence of fraudulent use of the tracking system, The Good Cashmere Standard® reserves the right to reduce or cancel the fabric mill's GCS yarn account inventory, up to the total volume of unverified or fraudulent claims, or even to terminate the registration as a sanction of last resort, meaning that the fabric mill will then no longer be allowed to buy GCS yarn or to sell GCS fabric.





# 4.6 The Ready-Made Garment Producer (RMG)

### 4.6.1 Requirements

Ready-made garment producers can start the registration process after a GCS retailer/brand nominates them for GCS garment producing and supplying. They must fulfil the following requirements in order to successfully complete the GCS registration process and therefore be able to fulfil GCS orders:

- Accept the GCS Code of Conduct 
   <sup>™</sup> (PDF)<sup>11</sup> and the GCS Chain of Custody Guidelines.
- Provide company-relevant information (e.g. company address and product details).
- Appoint one or more designated representatives who are responsible for ensuring compliance with the GCS chain-of-custody requirements and for recording relevant data in the tracking system.
- Confirm that the individuals responsible for using the tracking system, for ensuring compliance with the GCS Chain of Custody Guidelines, and for maintaining the required records are trained and competent to fulfil relevant chain-of-custody requirements.

### 4.6.2 Purchase of GCS Yarns/Fabrics

Ready-made garment producers must purchase GCS yarns only from GCS-registered spinning mills and GCS-registered yarn traders. They must purchase GCS fabric only from GCS-registered fabric mills. Updates on the status of GCS-registered spinning mills (PDF)<sup>12</sup> must be regularly checked. Ready-made garment producers must accurately document their process for procuring GCS yarns and GCS fabrics. They must retain all documents and records related to the purchase, handling, or sale of GCS garments for a minimum of two years.

Evidentiary documentation for GCS yarn/fabric purchases always must specifically state "GCS" cashmere.

<sup>11</sup> https://thegoodcashmerestandard.org/wp-content/uploads/2024/01/Code-of-Conduct-2023.pdf

### 4.6.3 Sale of GCS Garments/Products

Ready-made garment producers must first purchase GCS yarns or GCS fabrics before being allowed to sell GCS garments/products.

For sales of GCS products to GCS licensing partners (retailers/brands), all sales documents (e.g. contracts, invoices, and shipment documents) must state "GCS" on the document.

It is not allowed to sell GCS garments to non-GCS-licensed partners or other non-GCS-registered companies.

### 4.6.4 Tracking System Data Entry

At no later than the product shipment date, ready-made garment producers/manufacturers must provide information about how they fulfilled/covered/produced the GCS products for their GCS licensing partners (retailers/brands).

Ready-made garment manufacturers must ensure that all data entered into CATS or another tracking system is accurate and can be verified against corresponding documentation (e.g. contracts, invoices, and production records).

Detailed information about the usage of and data entry into the tracking system can be found in the respective user manuals.

Ready-made garment producers/manufacturers using an AbTF/ATAKORA-approved tracking system other than CATS must adhere to the CoC guidelines of the respective provider.

### 4.6.5 Monitoring/Sanctions

If a ready-made garment producer cannot verify its purchases of GCS yarns or fabrics or its sales of GCS final products/garments, or if there is evidence of fraudulent use of the tracking system, The Good Cashmere Standard® reserves the right to reduce or cancel the ready-made garment producer's account inventory of GCS yarn or fabric, up to the total volume of unverified or fraudulent claims, or even to terminate the registration as a sanction of last resort, meaning that the ready-made garment producer will then no longer be allowed to purchase GCS yarn/fabric and produce or sell GCS garments.





# 4.7 The Retailer/Brand (RB)

### 4.7.1 Contract Requirements

Retailers/brands must sign partnership and licensing agreements with ATAKORA Fördergesellschaft GmbH. This allows the partner to incorporate GCS cashmere into its supply chain and to use the GCS logo and GCS label for product communication and corporate communication in accordance with the Logo Manual and the Communication Guidelines.

Retailers/brands pay a licensing fee which has two different components, both mandatory:

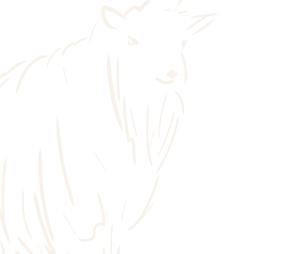
- 1. The partnership fee
- 2. A volume-based licensing fee

### 4.7.2 Administrative Set-Up

Retailers/brands must appoint one or more designated representatives who are responsible for ensuring compliance with chain-of-custody requirements relevant to The Good Cashmere Standard® and for recording the relevant data in the tracking system.

Retailers/brands need to be registered with GCS to be able to track GCS orders. They must confirm that the individuals responsible for using the tracking system, for ensuring compliance with the GCS Chain of Custody Guidelines, and for maintaining the required records are trained and competent to fulfil all relevant chain-of-custody requirements.

Before placing any GCS orders, the people responsible must provide GCS with the relevant information about all levels of the retailer's GCS supply chain. GCS provides a supply chain template for this purpose. For each level, an account must be created in the tracking system, which enables GCS orders to be tracked.



### 4.7.3 Labelling

There are three types of labels: the Standard Label, the Premium Label, and the Premium Blend Label. Products that are labelled with the Standard Label must contain a minimum of 5 percent cashmere. Products containing GCS cashmere are not allowed to be blended with conventional cashmere. Blending with other cashmere standards is possible; for further details, please contact GCS.

Only partners who can prove that their products meet the quality criteria defined below are entitled to use the black **Premium Label**. It is the responsibility of retailers/brands to instruct their suppliers to deliver products that meet the following criteria:

- A minimum staple length of between 34 and 36 millimetres
- √ A maximum fibre diameter of 15.5 microns
- Cashmere that has been obtained from white goats only
- √ A cashmere content of 100 percent

Only partners who can prove that their products meet the quality criteria defined below are entitled to use the black Premium Blend Label. It is the responsibility of retailers/brands to instruct their suppliers to deliver products that meet the following criteria:

- A minimum staple length of between 34 and 36 millimetres
- A maximum fibre diameter of 15.5 microns
- Cashmere that has been obtained from white goats only
- √ A cashmere content of at least 5 percent

It is recommended to purchase all GCS labels from:

### **Nilorn Germany GmbH**

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

Retailers/brands that decide to work with Nilorn must instruct ready-made garment manufacturers to purchase these labels only from Nilorn. If the order is being tracked through CATS, the ready-made garment manufacturer will be put in contact with Nilorn for the label ordering process. A template order form will be provided. Detailed information about how to use the CATS tracking system can be found in the CATS User Manual.

### 4.7.4 Purchase of GCS Garments/ Products

Retailers/brands must purchase GCS garments/ products only from GCS-registered ready-made garment producers.

Retailers/brands must accurately document their process for procuring GCS products. They must retain all documents regarding GCS final products for a minimum of two years.

Evidentiary documents for GCS products must always specifically state "GCS". Retailers/brands must ensure that all partners throughout their supply chain are properly informed about GCS implementation and its application.

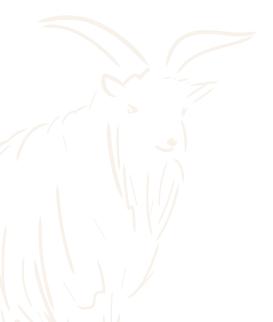
### 4.7.5 Tracking System Data Entry

Retailers/brands must regularly upload their order information for GCS products to CATS or another tracking system. Relevant order information includes the name and country of the supplier, the planned delivery date of the order, the quantity of items ordered, and a description of the items as well as their composition.

Retailers/brands must ensure that all data entered into the tracking system is accurate and can be verified against corresponding documentation (i.e. purchase receipt, invoice, and production records).

Detailed information about the usage of and data entry into the tracking system can be found in the respective user manuals.

Retailers/brands using an AbTF/ATAKORA-approved tracking system other than CATS must adhere to the CoC guidelines of the respective provider.



# 5 Product and Corporate Marketing

All entities involved in GCS's supply chain (cashmere producers, spinning mills, yarn traders, fabric producers, ready-made garment producers, and retailers) have the right to mention their involvement with The Good Cashmere Standard® in marketing materials as long as they comply with the GCS Communication Guidelines.

# 6 Grievance Mechanism

The Aid by Trade Foundation has established a concerns and complaints mechanism enabling any individual or organisation to express dissatisfaction, including with the actions, procedures, or decisions of a supply chain organisation. The relevant policies and procedures can be found on the GCS homepage:

T the good cash merestandard.org

# 7 Relevant Documents

- ☐ The Good Cashmere Standard® in the latest version
- ☐ The GCS Code of Conduct
- GCS-registered spinning mills



### AID BY TRADE FOUNDATION

The Aid by Trade Foundation (AbTF) was founded in 2005 and is now an internationally renowned and active nonprofit organization for sustainable raw materials. Through its work, it makes a decisive and measurable contribution to improving the living conditions of people and animals and to protecting the environment. With its verified raw materials Cotton made in Africa (CmiA), Cotton made in Africa Organic (CmiA Organic), Regenerative Cotton Standard (RCS) and The Good Cashmere Standard (GCS), the foundation puts its goals into practice. A globally active alliance of textile companies and brands requests the verified raw materials and pays a license fee to the foundation's marketing company, ATAKORA Fördergesellschaft GmbH. This entitles the partners to market their goods with the labels of the standards. In view of the increasing challenges small-scale herders and textile companies are facing, the standards are of fundamental importance for their resilience and future viability. The AbTF works in close cooperation with industry experts, animal welfare and nature conservation specialists.

For comments or questions please contact:

gcs@abt-foundation.org

**Aid by Trade Foundation** 

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AID BY TRADE FOUNDATION

