

Product Certification Procedure

1. Introduction

This procedure covering the whole product certification procedure and processes starting from initial audit to re-audit, transaction certificate, transfer certificate, suspension/withdrawal of certificate etc.

2. Certification Method

2.1 Initial Certification

- i. Client may read the **Informational Material** displayed on the GSCS website and/or submitted by Email and check in which parts of client need to implement remedies in order to fulfil standard requirements. If anything is unclear, client can always turn to GSCS or the respective standard holders.
- ii. GSCS will send the application to client/ operator after getting the query by e-mail or phone call.

Application Review

- iii. The client shall fill-up **Application** stating their Process Categories, Product details as well as the respective Certificates, legal permits and others audit report. The client will make sure that all their data including product details, as well as the data of involved facilities and Subcontractors, is fully listed in the application (address, number of employees, processing steps, audit/certification). GSCS shall ensure that the application related all documents are complete/ adequate and the client appears to be able to comply with all certification requirements.
- iv. Clients shall provide information about any past applications made; approvals received; approvals suspended or withdrawn or lapsed. Client shall provide information about any other certifications and Certification Body relationships that share the same scope as GOTS and GRS (e.g., use of organic or recycled materials under the OCS and RCS respectively).
- v. GSCS shall identify when the client's request for certification includes a type of product, or a normative document, or a certification scheme with which GSCS has no prior experience. In these cases, GSCS shall ensure it has the competence and capability for all the certification activities through providing the relevant trainings to relevant staffs and all personnel related to certification. The applicant will be informed about the issue after reviewing the application to avail sufficient time to train relevant personnel involve in certification activities. A record will be maintained of the justification for such decision to undertake certification. A training need shall be added at once such situation come across to **Annex02-1-Training Needs Assessment** for further capacity building.

In case any application for non-textile First Processor of GRS/RCS (Material Mechanical Recycling) comes in, GSCS shall evaluate the eligibility of the input material which will be used in the recycling process. GSCS shall collect all required documents (process flow chart, process descriptions, material flow records) additionally in order to verify the eligibility of such input material. If the operator

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claims own waste as reclaimed material for mechanical recycling at own site, GSCS shall take prior confirmation from Textile Exchange in accepting the wastes as pre-consumer reclaimed material.

- vi. GSCS shall also obtain the following information: about any past certifications, audits, or signed agreements with other certification bodies for the Standard and a copy of the most recent audit report, if the applicant was previously audited or certification denied or certified for the Standard within preceding 2 years by another Certification Body, specifically from the Certification Body.
- vii. Background Check

Prior to determining the risk level, GSCS shall also conduct a background check on the organization to understand its past certification history, legal obligations, and detect potential fraud, based on –

- Feedbacks from media reports
- Legal compliance history

Note 01 (**For Textile Exchange Standards**): The risk level assigned to the client by the Risk Assessment may be changed depending upon the **background check**.

- viii. For each client (main site, facilities, and associated subcontractors), GSCS shall assign the risk level wavering from High to Low as per PCWI36- Pre-audit Risk Assessment.
- ix. After having checked and approved (including man-day calculation, financial details or any other special requirement etc.) client's application, by GSCS staff, client will receive quotation/invoice. In addition, GSCS will inform client about a rough timeframe which includes the audit at client's site and, if applicable, the site/s of subcontractors.
- x. If the offer meets client's expectation, the client will receive **Client Agreement, Processor Agreement** as well as the **Invoice** for pre-payment mentioned in the offer, through GSCS portal.
- xi. As soon as the signed **Client Agreement, Processor Agreement (if any) will be submitted in GSCS portal** and payment of the invoice will be received, client will receive the relevant tabs to complete in client's profile, on which the audit will be based. The client shall explain their data and activities as explicitly as possible. Additionally, GSCS will send an Audit Plan along with a required document list, in which the full course of audit will be explained. GSCS shall inform to assigned inspectors about any non-conformities and the associated requests for corrective action issued previously, to enable the inspectors to verify whether the non-conformities have been resolved.
- xii. During the on-site **Audit**, the auditor shall check upon client's information based on stated in operator's profile as well as on the available documents. Also, documentation review, site tour and workers' interview will take place during the audit. Usually, several corrective actions need to be implemented before becoming certified. These **Corrective Actions** will be discussed by the auditor at

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the end of the audit and a timeline for remediation will be agreed on during closing meeting.

- xiii. The lead auditor/ inspector is responsible to send the audit report along with relevant objective evidenced to file reviewer/ scheme manager/ evaluation officer to review and finalize the non-conformities and communicated with the lead auditor/ inspector within 10 working days of audit. During this process, if any query or feedback require for file reviewer, the lead auditor shall deliver the same accordingly.
- xiv. Once lead auditor/ inspector receive the NC closer evidences from client/ operator, he/ she shall complete the primary review and forward to scheme manager/ file reviewer for final review and making the final certification decision.
- xv. Validity period of the Certificate will start based on the certificate issuance date for the initial certificate and validity will be not more than 15 months. For GOTS, the validity period of the Scope Certificate must not exceed 16 months from the date of issue.
- xvi. After all necessary corrective actions have been implemented, GSCS will issue **Certificate** (validity 12 months) and certified client details will be sent to TE on first week of every month. For GOTS, GSCS shall send the complete list of the inspected and/or certified entities and their facilities as well as withdrawn entities and their facilities in the preceding calendar year by end of January of each year to the Global Standard gGmbH.
- xvii. If corrective actions have not been implemented and handed within the said time, the company will receive a Rejection Letter, and the Client Agreement will be terminated.

Table 01: System flow for initial certification

Step no.	Activities	Responsible		
		HQ	OSP	Client
1.	Certification query by e-mail or over phone			X
2.	Send application to client		X	
3.	Filled up Application received from client		X	
4.	Queries for legal permits and other relevant audit reports		X	
5.	Application + financial proposal sends to HQ		X	
6.	Application + financial proposal review	X		
7.	Approved Financial proposal + Client agreement + Processor agreement send to client		X	
8.	Payment confirmation/ received			X
9.	Inform client on relevant document and client profile in the GSCS portal		X	
10.	Filled up client profile and review		X	
11.	Plan for the audit		X	
12.	Conduct audit by approved auditor		X	
13.	Submit the audit report with objective evidence		X	

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Step no.	Activities	Responsible		
		HQ	OSP	Client
	to HQ			
14.	Issue the NoNC (Notification of Non-compliances) by reviewer to auditor if any deficiency found based on file review. Auditor will share the NoNC to the client.	X	X	X
15.	NC closer evidence to the HQ		X	X
16.	Provide the review feedback to HQ		X	
17.	GSCS will issue the RoNC (resolution of non-compliance) to clients of non-compliance status.	X	X	X
18.	Certification decision	X		
19.	Complete the client directory	X	X	
20.	Certificate issued	X		
21.	Send the audit report, RoNC and Certificate to client		X	
22.	Update TE / GOTS database	X	X	
23.	Label release form request			X
24.	Issue label released form to client		X	
25.	Transaction Certificate (TC) request along with relevant documents			X
26.	Primary review of TC		X	
27.	Issue the TC	X		
28.	Send TC to client		X	
29.	Update TC directory and quantity balance	X	X	

To not label or market any articles/products with one of the standards' logos until the certification has been completed.

2.2 Re-certification / Surveillance audit

- i. GSCS shall directly communicate with certified client by e-mail at least 2 months prior to the expired date of previous certificate by e-mail and/or over phone.
- ii. Getting the confirmation by e-mail or phone from client about any changes of production units, subcontractors, or new suppliers etc.
 - a) *If no changes from previous certificate, GSCS will send the financial proposal to client.*
 - b) *If any changes on application scope or subcontractor and if it's impact on audit man-days, GSCS shall collect the filled application from client.*
 - c) *Local office shall send the application form and financial proposal to HQ for review.*
 - d) *Local office will send the approved financial proposal with client agreement to client and confirm the payment from them.*
- iii. Operator shall complete the pre-filled data in GSCS portal, list of suppliers, list of subcontractors etc. and return back to GSCS.

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- iv. Conduct the re-audit by approved audit team and leave a copy of NCs to client with their signature.
- v. Submit the audit report together with previous NCs closing evidences and audit evidences to the HQ for file review by file reviewer.
- vi. Collect the NC closers evidence from operator/client and send to HQ for certification decision.
- vii. Update the client directory
- viii. Based on certification decision by HQ, the certificate will be issued and send to the client with TE or GOTS labelling Release and final report.

Table 02: System flow for Re-certification / Surveillance audit

Step no.	Activities	Responsible		
		HQ	OSP	Client
1.	E-mail to client for re-certification		X	
2.	Confirm about any change of previous scope certificate		X	X
3.	Submit other audit reports, certificates and permits. Due to changes of the CB, submit the previous audit report/NC report and certificate.			X
4.	Send financial proposal to client		X	
5.	Payment settle			X
6.	Inform client on relevant document and client profile in the GSCS portal		X	
7.	Filled up MP received and review		X	
8.	Plan for the audit		X	
9.	Conduct audit by approved auditor		X	
10.	Submit the audit report with objective evidence to HQ		X	
11.	Issue the NoNC (Notification of Non-compliances) by reviewer to auditor if any deficiency found based on file review. Auditor will share the NoNC to the client.	X	X	X
12.	NC closer evidence to the HQ		X	X
13.	Provide the review feedback to HQ		X	
14.	GSCS will issue the RoNC (resolution of non-compliance) to clients of non-compliance status.	X	X	X
15.	Certification decision	X		
16.	Complete the client directory	X	X	
17.	Certificate issued	X		
18.	Send the audit report, RoNC and Certificate to client		X	
19.	Update TE/ GOTS database	X	X	

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3. Planning and Team Selection

- 3.1 GSCS shall ensure to appoint the competent audit team and /or technical experts (if necessary, to cover the scope). GSCS shall uphold requirements for impartiality. For deciding the size and composition of the audit team, the prior factors shall be considered:
- Audit objectives, scope including product category, criteria and estimated audit duration.
 - Whether the audit is combined with other TE & GOTS standards.
 - Overall competence of the Audit team needed to achieve the objectives of the inspection.
 - Certification requirements (including any applicable statutory, regulatory or contractual requirements).
 - Language and culture.
- 3.2 In the audit plan, activities of individual auditor shall be written. At any circumstance, lead auditor shall be responsible to conduct opening and closing meeting (in exception of training purpose). The audit plan shall be appropriate to the objectives and the scope of the evaluation. The audit plan shall be communicated through e-mail and confirmed by both parties. Audit plan shall be communicated in advanced and/ or audit date with client.
- 3.3 GSCS may contract with technical experts for accompanying inspectors during certain inspections. The role of such experts is limited to provide expertise; they cannot replace the auditor/ inspector. The operator shall be asked beforehand if he/she agrees to the presence of such an expert. The expert must sign a confidentiality declaration before the visit.
- 3.4 Provisional auditor (auditor-in-training) may participate in the audit process under supervision of a lead auditor. The lead auditor shall take over the duties and have final responsibility for the activities and findings of the auditor-in-training. Provisional auditor man-day shall be considered as auditor man-day. But the technical expert's man-day shall not be counted in audit plan. If any translator / interpreter used, the audit duration shall be increased at 10-20% of total calculated man-days.
- 3.5 During on site audit, audit team shall be accompanied by a guide. The client will be responsible to assign the guide(s) to audit team. The audit team shall ensure that guides do not influence or interfere in the evaluation process or outcome of the evaluation result.

GSCS shall ensure to send the below audit pack to client prior to audit date:

- Audit plan
- TE /GOTS Standard (as per application)

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- Implementation Manual (GOTS, CCS & TE standard)
- Certification Contract / Client Agreement
- Logo Use and Claims Guide
- Audit Plan
- Document Checklist

Reference Document (s)

PCOP05- Competence Procedure

PCWI21- Competency Criteria

4. Evaluation

4.1 Introduction of Audit Protocol

Audit is carried out in order to verify information and compliance with certification requirements applicable to the client/ operator. It shall follow a set protocol to facilitate non-discriminatory and objective audit.

The on-site inspection protocol shall, at the very minimum, undertake the following, as applicable to the operator:

- a) Visits to facilities and storage units (which may also include visits to non-certified areas if there is reason for doing so); the identification, contamination, cleaning procedure and materials, record keeping etc.
- b) Review of records and accounts on flow of goods (input/output reconciliation and the tracing back)
- c) Inspection of the chemical inputs (dyes and auxiliaries) and accessories used and assessment of their compliance with the applicable criteria of the GOTS and Textile Exchange Standards;
- d) Review of TCs for incoming and outgoing goods, Invoices, inventory report, reception notes of the raw materials and processing notes of all processes to trace back.
- e) Identification of areas of risk to Product integrity;
- f) Verification of Internal Control System for Group Certification and annual internal audit reports;
- g) Inspection of the wastewater (pre-)treatment system of wet processors.
- h) Verification that changes to the Standards and to related requirements have been effectively implemented.
- i) Verification that corrective actions effectiveness
- j) GSCS shall adapt appropriate measures and procedure to address the high risk of-

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i. Parallel processing of certified and non-certified products:

In order to prevent comingling or contamination of certified products with other/non-certified products that do not meet the standards, GSCS shall verify whether handling and documentation regarding (wet) processing, storage and sales is well managed and makes clear distinctions between certified and non-certified products. In cases where products are not visibly distinguishable, specified measures should be applied to reduce the risk.

ii. Double count and proper tracking:

Where in case, client is certified for a Standard of same scope (e. g. Global Organic Textile Standard and OCS), GSCS shall ensure that materials are not double counted. GSCS shall include all standards which recognize similar content (e. g. organic cotton) in its review of the volume reconciliation and shall evaluate the claims made regarding the other standard and any other necessary records (transaction certificates for both outgoing and incoming, production inventory etc.) to ensure that volumes are not being overclaimed. GSCS shall maintain all protocols to protect double claim of contents.

iii. Avoidance of Unacceptable Practices:

GSCS shall issue a critical non-conformity to any organization or site where evidence suggests that any of the following practices (collectively, the "unacceptable practices") are occurring:

- The worst forms of child labor, as defined by ILO C182 – Worst Forms of Child Labor Convention, 1999 (No. 138 and No. 182); or
- Forced and compulsory labor, as defined by ILO C029 – Forced Labor Convention, 1930 (No. 29 and No.105).

iv. Multiple Certification in the same site

A site shall not be included as a main or subsequent site in more than one scope certificate to the same Standard unless the site has a primary scope and multiple certifications are permitted by the Standard or its certification procedures.

This implies that if a site has been added in a Scope Certificate as subsequent site, it shall not be added as a subsequent site to any other Scope Certificate of same Standard nor it is allowed to have individual certification.

- k) On anytime during the certification period, if it is found that operator has used materials/inputs which do not comply standard requirements, for example, non-certified raw materials, restricted materials, unapproved chemical inputs etc. in certified products, on-going of certified product production or certified products that has been shipped out, GSCS shall recall the products as listed on inspection report. GSCS shall request the operator to inform their buyer or GSCS shall inform directly to product owner on such event. As well, GSCS shall not issue any transaction certificate or cancel /withdraw the issued TC (s) for those products.

On such case GSCS shall immediately inform Textile Exchange/Global Standards gGmbH on recall of products/cancellation of Transaction Certificates.

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- l) If the previous audit was conducted by another certification body within two years prior to the audit, a full evaluation will be held of any nonconformities which were issued in the previous audit report, whether or not they were previously closed.
- m) For GOTS certification audits, GSCS shall verify adherence to the defined minimum social criteria in compliance with Auditor Guidance For Auditing Social Criteria Of GOTS 6.0 in the audit and evaluation protocol, which shall particularly include,
- verification of processing and storage units, toilet facilities, rest areas and other sites of the company with access for workers
 - Interview with management and confidential interviews with workers and worker's representatives
 - Review of personnel files, such as list of workers employed, workers' contracts, pay rolls, shift and working time protocols, age verification, social insurance documents

Audit Checklist of GOTS shall include all mandatory requirement as specified by the GOTS Standard and Guidance for Social Criteria,

n) **Sampling** –

- i. Ginning unit must be audited during the Cotton Harvesting Season only
- ii. Collect at least one sample of Organic Cotton from a Ginning
- iii. If any inspector take sample based on the risk assessment, then the sample shall be sent to the Laboratories that are accredited according to ISO/IEC 17025.

Note 02: This section is only applicable for OCS and early processing stages e. g. ginning and spinning. For other Standards (GRS, RCS, CCS, RDS and RWS) sampling does not apply.

- o) Regarding Annual Volume Reconciliation system verification of the operator, the following method shall be used:
- i. If the operator has produced/handled any claimed material in the previous 12 months, PCF28 – Annual Volume Reconciliation form shall be used to collect data on AVR and verify the same, along with appropriate demonstration of AVR in Audit Checklist.
 - ii. For non-claimed material, auditors shall demonstrate the verified AVR data on Audit Checklist tab, Annual Volume Reconciliation section pertaining the below details,
 - Time period
 - Type of material
 - Type of claim other than Textile Exchange/GOTS Certification (if any)
 - Total material received
 - Total delivered
 - Total balance

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- Total wastage

For GOTS only:

Certified Entities are expected to undertake testing in accordance with a risk assessment to assure compliance in specific with the criteria of GOTS Standard, Section 2.4.14 (Technical Quality Parameters) as well as 2.4.15 and 2.4.16 (Limit Values for Residues in GOTS Goods, additional materials and accessories). All GOTS Goods, the components of the products and the inputs used are to be included in this risk assessment and therefore potentially subject to testing. The testing frequency, the type and number of samples are to be established according to this risk assessment.

GSCS shall collect and verify the risk assessment of operator based on the probabilities of contamination and residue testing policy during inspection (Audit checklist, risk analysis tab). Auditor/ inspector may collect sample if the incident rate is rated as high at reduce limits, parallel production, and technical quality parameters. It is recommended to conduct residue test at least once in a year.

Samples for residue testing may also be taken by the inspector during the required on-site inspection, either as back-up to the inspection process or in case of suspicion of contamination or non-compliance. Additional samples of goods may be taken from the supply chain at any time without advance notice.

Qualitative GMO screening of cotton within the GOTS supply chain shall be performed by appropriately qualified (such as: ISO 17025) testing laboratories using ISO IWA 32 protocol. This protocol establishes that GMO screening is only possible on unprocessed (raw/greige) cotton. Consequently, testing on chemically processed cotton is not to be carried out.

The GSCS may test cotton at any site which handles non-chemically processed cotton base on risk (site, processing step, country of operation etc.).

4.2 Basic instruction for auditor

- i. Remember that you are an auditor, neither a police officer, nor an advisor, nor the operator's friend. Your job is fact finding, objective documentation of these facts and correct assessment of compliance with the applicable standard. Be very careful to confine assessment to the scope of the respective standard.
- ii. You must conduct the audit in a transparent manner. Tell the operator what you want to see but do not be police.
- iii. Proceed systematically. Try to cover all relevant aspects of the respective standards, audit checklist, inspection forms, and standard control programs. Do not be distracted from your schedule.
- iv. Your job is to verify if the operator complies with the respective standards. Address non-conformities clearly.
- v. Being distrustful and trusting your client - It is the key part of the auditor's job to not trust easily what the operator says: verify and crosscheck the information

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provided by audit triangulation through document/record review, interview and facility tour.

- vi. Recording everything and being brief - It is essential for the whole certification process to properly record all relevant aspects (both positive and negative).
- vii. Covering everything and Going into depth, we must see the operation as a whole. A frequent inspection error is to forget transport units, storage rooms, subcontractors, etc. It may make more sense identifying critical issues (risks), and going into depth there, rather than covering everything superficially.
- viii. Make sure the operation is well prepared - Although the operation may comply with the standard in general terms: if it is not prepared, e.g. in what refers to records, the inspection becomes very difficult and time consuming.
- ix. Audit triangulation- Auditor shall follow proper audit triangulation through document/ record review, interview and facility tour before coming to the conclusion.
- x. Please cover the common area specially for storing to finishing if other factory (s) located in same premises. Please consider its as high risk.

Special notes:

- The auditor/inspector must be familiar with the basic technical aspects of the operation to detect potentially critical issues. For instance, if the inspector inspects a textile dyeing facility, he/she must be aware of the critical issues in respect of such facility, if not then, get prepared in time by obtaining necessary information from different sources.
- To identify the risks related to the operation to be inspected beforehand (see also the inspection assignment and the risk assessment) and plan how to deal with those risks. PCWI36- Pre-audit Risk Assessment and application review risk assessment in the portal shall be reviewed priorly by the auditor team.
- To ensure that auditor/inspector have all relevant documents for the respective inspection in the most recent version.
- Must have a copy of standard, manual or other relevant documents like local and international laws.
- To take relevant TCs/QCS as a support for quantity balances and cross check.
- Review thoroughly the pre-filled operator profile and/or previous inspection report, and any noncompliance communication related to the operation.
- Take auditor's photo with factory nameplate/gate to locate the presence of auditors onsite.
- All photos must contain date stamp.

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4.3 Inspection report

The report ownership shall be maintained by GSCS as stated within the reports. GSCS shall provide a written report for each audit/ inspection to the client following the type of operation inspected, and to facilitate a non-discriminatory, objective and comprehensive analysis of the respective processing, manufacturing or trading system.

The report shall cover all relevant aspects of the standards, and adequately validate the information provided by the clients. It shall include

- A statement of any observations relating to conformity with the certification requirements.
- Date and duration of the inspection, persons interviewed, facilities visited; and
- Type of documents reviewed.
- details including responsible person, type of audit, certification history, process details, non-conformities along with the severity, a disclaimer statement indicating as based on a sampling process, corrective action timeline, list of annexes documents etc.

The lead auditor/ inspector shall ensure that the audit/inspection report is prepared correctly with all applicable tabs and with accurate, concise, and clear record or information.

Lead Auditor shall present any non-conformity to be resolved in order to comply with applicable certification requirements and provide the signed non-conformity report/ audit result with recommendation immediate after closing meeting.

The lead auditor/ inspector will be responsible to submit the report to GSCS file reviewer within maximum 10 days from audit date including all required documents/ records, annexes etc.

4.4 File/Report Review

GSCS shall assign at least one person (File reviewer/Decision Maker) to review all information and results related to the evaluation. The review shall be carried out by person(s) who have not been involved in the evaluation process.

Once audit has been completed, the local office shall request to operator for corrective action evidence against each non-conformity. The local office shall primarily review the corrective actions evidence and shall send to file reviewer/ decision maker for final decision.

Based on positive decision the certificate will be issued and send to the operator with TE & GOTS labelling Release (on request).

Reference Document (s)

PCOP05-Competence Procedure

PCF32-Approved staffs list

PCF34- Auditor Performance Evaluation

PCF09-Scheme Manager (SC) Performance Review

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4.5 Handling non-conformities

The non-conformity shall follow as per PCWI07-Non-Conformity Classification

However, below is the summary for non-conformity handling issues.

Audit type	Type of non-conformity	CA Period	Impact
For Initial Audit	Critical Non-conformity	Immediate	<ul style="list-style-type: none"> Must be corrected prior to certification Certificate will not issue without closing this non-conformity
	Major Non-conformity	30 days	<ul style="list-style-type: none"> Must be corrected prior to certification Certificate will not issue without closing this non-conformity
	Minor Non-conformity	60 days	<ul style="list-style-type: none"> Must be corrected prior to certification If operator don't have any control for corrective action, the certificate may issue without closing the Minor Non-conformity. Example- operator applied to renew fire license but the legal permit authority taking more time.
For Re-certification	Critical Non-conformity	Immediate	Scope certificate shall be suspended
	Major Non-conformity	30 days	<ul style="list-style-type: none"> Prior to recertification If operator fail to correct the Major non-conformity within 30 days from closing meeting, the certificate shall be suspended immediately.
	Minor Non-conformity	60 days	<ul style="list-style-type: none"> Must be corrected prior to certification. If operator does not have any control over corrective action, the certificate may issue without closing the Minor Non-conformity. Example- operator applied to renew fire license but the authority taking more time. Non-conformity is upgraded to become a major non-conformity with a timeline 30 days from the original deadline.

4.6 Grading of Non-Conformities

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Any non-conformities relating to deliberate fraud (including but not limited to altering any records related to claimed material by the organization's personnel) shall be issued as critical non-conformities.

Any discrepancy found in the following criteria shall always be issued as major non-conformities:

- a. Records of materials
- b. Conducting volume reconciliation
- c. Contracts with associated subcontractors
- d. Contracts with independently certified subcontractors
- e. Avoiding commingling/contamination
- f. Transport packaging
- g. Transport documents
- h. List of distribution sites (only applies to Brand/Retailer/Distributor)
- i. Certification body access to distribution sites (only applies to Brand/Retailer/Distributor)
- j. Multi-site and group certification
- k. Adding sites and
- l. Authority/removal of sites

Reference Document (s)

PCWI07-Non-Conformity Classification

PCF30-Clients' Directory

PCF40-Unannounced and additional audit report

4.7 Opening meeting

- i. Unless auditor inspected the operation before, mutual formal introduction should be the first step of any audit/ inspection.
- ii. During the opening meeting, auditor should explain again the scope and steps of the inspection. Agree with the operator on the schedule, including breaks, etc. Make sure relevant staffs will be present at the time you need them (e.g., office staff for document review; or workers for worker interviews in case of social audits like for GRS, GOTS...).
- iii. Reconfirm that all information will be handled confidentially.
- iv. If auditor has other persons, accompanying him/her (trainees or others), please explain their role. Make sure such persons have signed confidentiality declarations before.
- v. Confirmation for taking photos either negative or positive aspects of operator.
- vi. Study the floor plan of the operation together with the operator. This makes physical inspection easier, and less likely to forget important areas.
- vii. Auditor shall follow the workers' languages for opening meeting. If the workers' language is different than auditor language, please use the interpreter/ translator.

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Auditor/ inspector shall follow the **PCWI05-Opening Meeting Agenda** in detail. The allocated time may be 30-45 minutes for opening meeting which should be allocated in audit plan. Lead auditor is responsible for conducting the opening meeting and all other audit team members shall attend on the opening meeting.

The lead auditor shall review with the operator any need for changes to the audit scope which becomes apparent as on-site inspection activities progress.

Reference Document (s)

PCWI05-Opening Meeting Agenda

PCF19-Opening & Closing meeting Attendance

4.8 Audit Evidence:

During audit, the auditors shall collect and effectively evaluate the audit evidence through cross checking or audit triangulation among document/ record review, interviews and physical tour.



During the audit/ inspection, the audit team shall periodically assess inspection progress and exchange information. The Lead Inspector shall reassign work as needed between the inspection team members and periodically communicate the progress of the audit and any concerns to the operator.

4.8.1 Physical inspection

- After the opening meeting, auditor shall take a walk around the facility. Before going to facility tour, auditor may take floor plan/ layout plan to verify with the reality. While moving around, take notes. If necessary, update/correct/complete the floor plan/layout plan while conducting the onsite inspection.
- Auditor shall ensure visiting all relevant parts of an operation. Auditor shall inspect the TE & GOTS production as well conventional parts.
- For Noncompliance auditor shall be addressed directly, while talking to the operator. If possible, he/she shall tell the operator, which part (paragraph,

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annex, etc.) of the respective standard are being referred to.

- It may happen that auditor's attention might get distracted from critical points (e. g. storage areas containing the contamination of TE/GOTS and conventional products) by surrounding. Auditor must be aware of this risk.
- Auditor may take note of workers' identification no. for calling to interview.
- Auditor shall take relevant Photographs/ picture or any record supporting of non-conformities.
- Auditor shall take own photo

Auditor shall inform to GSCS HQ if operator does not allow to access the auditor (s) e-mail, phone and any means of communication before leaving from the operator's site.

4.8.2 Interviews

Make sure auditor does not rely entirely on information from the management or person accompanying him/her during the audit. Interviews with different people who may give different information are an essential part of most inspections. The interview shall involve all process person/ workers including of persons in charge of records and bookkeeping.

The purpose of such interviews is, on one side, to verify if workers and employees have been sufficiently trained for their job and standard requirements like GOTS, CCS, GRS, RCS etc. awareness and on the other side to cross check the information provided by management. For this purpose, it is important to conduct such interviews (privately/confidentially). Management should not be listening nor interfering. The certification contract obliges the operator to accept such interviews at any moment.

For GRS & GOTS certification, auditor shall follow the PCWI15- Employee Interviews Instruction for Social and Annex18-Employee Interview Questionnaire for Social.

4.8.3 Document/Record review

Some general rules of thumb concerning document review during audit/ inspections:

- Overview tables are often useful but should not be accepted as the only source of information; at least for samples, always go back to the original documents, on which the overview is based.
- Try to cross check information from more than one documents as inconsistencies may lead the auditor to wrong direction.
- From year to year, change the type of documents in checklist, so that your inspection becomes less predictable.
- Documents to be checked are listed in the respective Standard Inspection Programs.
- For many scopes, it is important to verify quantities: the quantities of produced /

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purchased / processed goods match quantities of sold products.

- Most certification programs require traceability checks. Please refer to the respective training materials developed by GSCS.
- An essential part of traceability checks often consists in verifying supplier certificates. Relevant aspects include:
 - i. Is the certificate genuine (for many programs, this can be verified through online databases)?
 - ii. Does the certificate refer to the applicable standard?
 - iii. Is the certificate issued by a certifier that is accredited for the respective scope (usually, this can be verified through databases of the accreditation bodies or certification programs)?
 - iv. Certificate not expired?
 - v. Does the certificate cover the products that were bought from this supplier, including the necessary processing steps?
 - vi. Cross-checks with the supplier's certifier are often useful (or even mandatory), for preventing document forgery and other types of fraud
- In most cases, it is enough to check relevant documents and excerpt the necessary information. Only important documents need to be photocopied.
- Important documents are those that are referred as annex in MP respectively the audit report in the section that will be treated as "mandatory attachments". They are different for different scopes and in each case essential to the evaluation and the certification officer to have knowledge of for the decision-making and certification.
- Take along copies of invoices from suppliers for inputs to conduct cross checks with the supplier's certifiers particularly for suspicious or doubtful documents, but also as part of a random selection.
- Auditor shall as to operator for certified product complaint related information if available to verify the complaint solving mechanism of their TE/GOTS products.

GSCS shall accept certificates and letters of approval issued in accordance with the GOTS by other GOTS approved Certification Bodies in order to conclude final certification.

Further, GSCS shall accept certificates as well as residue analysis reports issued by other certification bodies and laboratories in accordance with the provisions of the GOTS requirements.

4.9 Time Management

Time management is crucial for conducting a good audit. Make sure auditor:

- Plan for enough time, depending on size, complexity and risk category of the operation
- Arrive and start in time

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- keep an eye on time during the entire audit
- Do not let yourself distract by "stories" or "discussions" the operator wants to share with you
- Do not lose much time with lunch and coffee breaks
- Stay flexible – when you find e. g. that one activity, which you had planned, is less important and less critical than you had thought, reduce the time you had planned for that, and concentrate on the more critical things.
- Leave enough time for the closing meeting
- Do not lose time with very minor or irrelevant things

Reference Document (s)

PCWI15- Employee Interviews Instruction for Social
Annex18-Employee Interview Questionnaire
PCWI16- Documents Checklist-GRS and RCS
PCWI22- Documents Checklist-CCS
PCWI17- Documents Checklist-RCS
PCWI18- Documents Checklist-OCS
PCWI19- Documents Checklist-RDS
PCWI20- Documents Checklist-RWS
PCWI31-Document Checklist-GOTS

4.10 Audit Findings

Audit findings summarizing conformity and detailing nonconformity shall be identified, classified and recorded to enable an informed certification decision to be made or the certification to be maintained.

A finding of nonconformity shall be recorded against a specific requirement and shall contain a clear statement of the non-conformity, identifying in detail the objective evidence on which the non-conformity is based.

Nonconformities shall be discussed with the operator to ensure that the evidence is accurate and that the nonconformities are understood. The auditor however shall refrain from suggesting the cause of nonconformities or their solution.

The audit team leader shall attempt to resolve any diverging opinions between the audit team and the operator concerning inspection evidence or findings, and unresolved points shall be recorded.

4.11 Pre-Closing Meeting with Audit Team

The lead auditor shall conduct a pre-closing meeting with audit team members to finalize and summarize the non-conformities. They shall discuss below:

- Review the audit findings, and any other appropriate information obtained during the audit, against the audit objectives and audit criteria and classify the nonconformities.
- The whole team will be agreed on final non-conformities and its classification based on severity/ risk that selected by the lead auditor.

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- Agree on any necessary follow-up actions
- Confirm the appropriateness of the audit program or identify any modification required for future audit (e.g. scope of certification, audit time or dates, sampling, audit team competence etc.)

4.12 Closing Meeting

A formal closing meeting, where attendance shall be recorded, shall be held with the operator's management and, where appropriate, those responsible for the functions or processes inspected.

The purpose of the closing meeting, usually conducted by the inspection team leader, is to present the inspection conclusions, including the recommendation regarding certification.

Any nonconformities shall be presented in such a manner that they are understood, and the timeframe for responding shall be agreed.

The closing meeting shall also include the following elements where the degree of detail shall be consistent with the familiarity of the operator with the audit process (please see **PCWI11-Closing Meeting Agenda**).

5. Certification Decision

GSCS shall ensure that the File Reviewer/Decision Maker for each standard, who reviews and makes the decisions for granting or refusing certification, expanding or reducing the scope of certification, suspending or restoring certification, withdrawing certification or renewing certification are different from those who carried out the inspections. All File Reviewer/Decision Maker appointed to conduct the file review shall have appropriate competence. Certification decisions taken are not influenced by any commercial, financial and/or other interest.

All person(s) assigned to make a certification decision shall be employed by, or shall be under contract with GSCS. GSCS shall document and apply measures to verify effectiveness of corrective actions taken by operators to meet the requirements.

GSCS shall record each certification decision including any additional information or clarification sought from the inspection team or other sources. GSCS shall notify the operator of a decision not to grant certification/ suspension/withdrawal of certification and shall identify the reasons for the decision.

GSCS shall keep the GOTS public data base updated once certification decision is made, with the requested information regarding their certified entities (e.g. names, addresses, contact details, product specifications, field of operation, and validity date of certificate etc.).

Certification decision shall be recorded in **PCF30-Clients Directory**.

Special reminder for certification decision

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- Certification decisions shall be completed within 60 days / 2 calendar months of the audit. If a certificate is not issued by this date, certification shall be denied, and a new audit shall be required before the organization may become certified to the Standard.
- Certification decisions may include requests for the correction of major or minor non-conformities within a specified time period. In this case, an updated certification decision shall be made upon closure of the non-conformities or upon the deadline for the non-conformities, whichever comes first.
- Within the 60 days allowed for finalization, the GSCS shall not delay the certification decision unnecessarily in order to avoid suspension of a scope certificate (e. g. by delaying all certification decisions until all non-conformities have been closed).

If Lead auditor's recommendations are agreed, the file is approved and serial number(s) for Certificate provided and information relating to license will be made available in the public area.

6. Certification Documentation

GSCS shall provide the operator with formal certification documentation that clearly conveys, or permits identification of the following:

- GSCS company name and address;
- the date of certification is granted (the date shall not precede the date on which the certification decision was completed and expiry date shall be one day after the expiry of the first scope certificate which shall be identified as the anniversary date);
- the name and address of the operator;
- the scope of certification including subcontractors;

Where the standard(s) or other normative document(s) to which conformity is being certified include reference to other standards or normative documents, these do not need to be included in the formal certification documentation.

- the term or expiry date of certification if certification expires after an established period.
- The formal certification documentation shall include the signature or other defined authorization of the person(s) of GSCS assigned such responsibility.

Formal certification documentation shall only be issued as below:

- The decision to grant or extend the scope of certification has been made.
- Certification requirements have been fulfilled.
- The certification agreement has been completed/signed.

GSCS shall follow the below for issuing the scope certificate:

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GSCS shall issue the valid scope certificate in digital version with digital signature of Managing Director or on behalf of Managing Director used by decision maker only. The original paper SCs shall be issued as a paper version with Digital Signature if request comes from any SC holder/ operator. The original digital certificate shall be generated through GSCS web-based system.

The Scope Certificates shall bear authentication methods as following:

- a. URL address of a single web page which can be visited to look up valid certificates.
- b. An URL shall be provided on each certificate through QR Code and specification of the domain name in the URL.

All dates of the scope certificates shall follow ISO 8601 format: YYYY-MM-DD and all numbers in scope certificates shall be using comma (,) as a thousand separator.

Each scope certificate shall have a unique alphanumeric scope certificate number as per following method:

- c. The scope certificate number shall begin with the unique three-character identifier assigned to GSCS by Textile Exchange, e. g. GSS.
- d. The scope certificate number shall include the standard acronym for single-standard scope certificates, such as GOTS for Global Organic Textile Standard, "RAF" for multi-standard scope certificates for RAF standards only, or "MUL" for other multi-standard scope certificates.
- e. Upon each recertification of an organization, a new scope certificate number shall be issued. Each scope certificate number shall be unique.
- f. The number of the certificate shall start with 202090 and hold eight digits as **2020900X**.
- g. Contents of the facilities page shall be divided across multiple pages even when available space does not require this to allow for more control of information sharing (e. g. placing subcontractor appendices on separate pages from the site appendix since subcontractor identities are not public information).
- h. Each facility added under the certificates, shall have a unique identifier number starting with FC and having 3000000X. The facility number shall be unchanged in every situation, e. g. when one facility will be added under two scope holders' certificates.

In short, Scope Certificate number shall follow the method: **GSS-GRS-2020900X**.

If the original is a digital version, GSCS shall be added at the bottom of the certificate: **"This electronically issued document is the valid, original version"**.

GSCS shall use letterhead at the top of the SC with contact details. All digital versions of SCs shall be prepared in pdf mode with password protection.

All TE Standards' certificates- The validity period of the Scope Certificate must not

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exceed 15 months from the date of issue. For GOTS, the validity period of the Scope Certificate must not exceed 16 months from the date of issue.

GSCS shall use client License number which shall be started with the acronym of standard owner, e. g. TE/GOTS, and eight digits. (Example: license no. will be **TE-2000000X/GOTS-2000000X**). License no shall be remaining unchanged in client's lifetime.

GSCS shall follow the below template for certificate:

- PCT01- GRS Scope Certificate Template
- PCT02- RCS Scope Certificate Template
- PCT03- OCS Scope Certificate Template
- PCT04- RDS Scope Certificate Template
- PCT05- RWS Scope Certificate Template
- PCT22-GOTS Scope Certificate Template
- PCT25-CCS Scope Certificate Template

7. Directory of Certified Products

GSCS shall maintain directory on certified products including of below information at least:

- Product identification,
- the standard(s) and other normative document(s) to which has been certified.
- Name of the certified operator/ client.
- Client country name.
- Certificate issue and expire date.

Reference document (s)

PCF30-Clients' Directory

8. Appeals & Complaint

GSCS body shall respond to all appeals and complaints about fraudulent products or services following its complaints process as per **PCOP07 - Appeals & Complaint Procedure**. If fraud or other misrepresentation is found to exist, the GSCS shall take appropriate action.

9. Multisite Certification/Addition of Facilities/Subsequent sites

GSCS shall approve the addition of a new subsequent site to the scope certificate if the applicable criteria of **CCS-106 Policy for Supply Chain Group Certification** and **CCS-107 Policy for Multi-Site Certification with Sampling of Sites** are met for scope certificates which fall under those policies, if;

- a. All sites are under common ownership with the organization (multi-site certification).

Or,

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The organization is managing a supply chain group certification, in which case CCS-106 Policy for Supply Chain Group Certification shall apply.

Or,

The scope certificate has a primary scope, and the primary standard allows for sites without common ownership (e. g. farm groups).

- b. All critical and major non-conformities for the site have been closed.
- c. GSCS has conducted an audit of the site as required for an initial audit.
- d. GSCS can conduct the certification decision and approve the site joining within 60 calendar days of the audit of the site.
- e. During an initial or recertification audit of a multi-site scope certificate, all site audits shall be conducted over a maximum of 60 calendar days.

Note 03: An individual site shall not be part of more than one scope certificate (as a main site or subsequent site) for a Standard.

10.Scope extension/ sub-contractor/out-sourcing processes:

In case of scope extension, operator may add an extra unit or activity. GSCS shall take actions specified by the certification standard such as arranging an extra visit which would be focused on the operator general system and the specific reason of extra visit (such as adding a unit) at client additional unit (if not already inspected/certified) then shall make all necessary modifications to formal certification documents, public information, authorizations for use of marks, etc., in order to ensure the expanded scope of certification is clearly communicated to the operator and clearly specified in certification documentation and public information.

- 1- GSCS will send the application form to certified operator
- 2- GSCS will send the quotation and **PCF11-Processor agreement**
- 3- Operator will sign Quotation and Processor Agreement and send back to GSCS
- 4- Then GSCS (will) arrange the extra audit that confirm by both parties negotiation
- 5- GSCS will send the Inspection Plan to Operator and/or Subcontractor
- 6- Inspection report will be send to GSCS for review after all NCNs are closed
- 7- If approve, then SC will be amended and re-issued the Scope Certificate.

The organization shall maintain full responsibility for conformity with the Standard for outsourced materials. Subcontractors shall not have common ownership with the contracting organization.

When outsourcing subcontractors or facilities are included in the certificate scope, GSCS shall follow the below process:

10.1 Non-certified Traders Management:

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Traders are exempted from certification requirement if following requirements are met:

- a. The trader is not a brand
- b. The trader's supplier(s) for claimed materials is/are certified to the Standard
- c. The trader is identified on the transaction certificate
- d. Records are provided to GSCS of the trader's supplier sufficient to track the sale of the certified material to the trader's customer
- e. There is no change in the certified or total volume and
- f. The certified material is shipped directly from the trader's supplier to the trader's customer (i.e., no outsourcing is done by the trader).

In such case of non-certified traders, Transaction Certificates shall be issued by listing the certified organization (i. e. the trader's supplier) as the seller and the trader's customer as the buyer, including review of documentation for both sales of the product.

10.2 Independently Certified Subcontractors Management:

If a subcontractor is independently certified to the Standard, no additional audit of the subcontractor is required by GSCS.

In case the organization and the subcontractor are certified with GSCS, GSCS shall ensure that outsourcing from the organization is considered in the subcontractor's audit.

In the other way round, if the subcontractor is certified with different certification bodies other than GSCS, GSCS shall notify the subcontractor's certification body of the outsourcing and provide information on the standard, number of transactions, and volume of materials sent for outsourcing to the subcontractor's certification body.

When auditing an organization which acts as an independently certified subcontractor for other organizations, GSCS shall include all certified products processed by the organization in its evaluation, even if they do not own the product.

10.3 Associated Subcontractors Management

Risk-based audits and subcontractors added of associated subcontractors shall be conducted according to the audit frequency and intensity levels as per PCWI36- Pre-audit Risk Assessment.

11. Surveillance/Re-certification/ Re-audit

GSCS shall declare the surveillance with the synonym of re-evaluation/ re-audit. GSCS shall issue scope of certificate with one-year validity for all TE and GOTS. Within a year re-evaluation/surveillance takes place (full audit) to keep continue the validity of the demonstration by fulfilment of product requirements (continuing use of a certification mark).

Recertification audits should be completed no later than 60 days prior to the expiry of a scope certificate expiry date.

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GSCS will follow the surveillance procedure as per ISO/IEC 17065:2012 of clause 7.9. The below flow of surveillance will be followed by GSCS:

- Re-evaluation/surveillance is a full audit and generally follows procedures outlined in 're-audit'.
- Communicate to the Operator to plan the re-audit/surveillance and find out if there are any changes such as change of production units, subcontractors, new suppliers. Operator needs to complete inspection checklist, list of suppliers, list of subcontractors etc.
- The GSCS shall regularly re-evaluate operators prior to the end of the previous certification period. Mechanisms shall be in place to effectively monitor whether corrective actions have been implemented.
- The GSCS shall report and document its annual activities and shall keep operators informed about their certification status.
- GSCS shall control the use and display of licenses, certificates and logos.
- Re-evaluation generally follows procedures outlined in clause 4 of this procedure (i. e. Evaluation). However, inspectors shall on certain measures related to risk and repetition of previous nonconformities.

Normally, the re-evaluation after initial certification is to be within 12 months of the last day of the initial audit. However, providing that sufficient evidence has been collected as above, to provide confidence that the certified management system is effective, consideration may be given to postpone the first surveillance for a period not exceeding 3 months (15 months from date of initial certification). For GOTS, the validity period of the Scope Certificate must not exceed 16 months from the date of issue. Otherwise, the certificate has to be suspended or the scope reduced.

12. Interval of Audit

Audits are to occur at least annually, within each calendar year, and within the validity period of the scope certificate.

12.1 Audit Type:

Audit type shall be determined through the risk assessment conducted as per PCWI26-Pre-Audit Risk Assessment. Once an audit type is selected, onsite, hybrid and remote audits shall be conducted following PCOP22- Remote-Hybrid Audit Procedure.

12.2 Semi-announced and Unannounced Audit

Besides, GSCS shall perform 2% unannounced audit at high-risk sites as per risk assessment and 1% semi-announced audits at medium and low risk sites through GSCS Head office authorized auditors.

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- a. Semi-announced and unannounced audits shall be conducted in addition to initial and recertification audits and shall not be used in place of the annual recertification audit of a site.
- b. Priority to unannounced audits shall be given where first processor, recycler, social, and chemical criteria apply to the site.
- c. For unannounced audits, the site shall not receive any advance notice of the auditor's arrival at the site.
- d. For semi-announced audits, the site may receive two business days' notice of the auditor's arrival at the site. Semi-announced audits may be conducted whenever no social criteria apply to the site.
- e. When selecting sites for semi-announced and unannounced audits, GSCS shall consider the following:
 - The risk level assigned to sites with priority to higher risk sites
 - Obtaining a representative sample in terms of standard, geography, and processing categories and
 - Prioritizing sites where there have been complaints or where there are other concerns with conformity.
- f. GSCS shall maintain a record of all semi-announced and unannounced audits and shall submit those records to Textile Exchange upon request.
- g. During a semi-announced or unannounced audit, GSCS shall evaluate the following as applicable to the site, but not limited to,
 - Volume reconciliation
 - Purchasing documentation
 - Physical handling and inventory of claimed materials (inputs, processing, and outputs)
 - Transport and Transaction Certificates
 - On-product claims relating to the Standard which are present on-site including when labeling is done on behalf of a customer
 - For material recyclers, the physical possibility to produce input and output claimed materials, applicable government requirements, and the authenticity of reclaimed input material sources
 - For GRS, social, chemical, and environmental criteria
 - For OCS first processors, input product origin information, GMO testing criteria for cotton, and traceability records back to the organic farm
 - Any areas where a non-conformity was issued during the previous full audit
 - Any areas where the certification body has identified additional risks for the specific site, including risks which have been identified through complaints or which have been noted to GSCS
 - Financial records of incoming and outgoing products.

Handling of non-compliances during Semi/Unannounced audits:

All non-compliances raised during a semi-announced and/or unannounced audit shall be handled as per **PCWI07- Non-conformity Classification** and clause 4.5 of this procedure, as it has been handled during initial/recertification audits.

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If the non-conformities raised during semi-announced/unannounced audit could not be closed in the timeline (30 days for major and 60 days for minor) stipulated, the Scope Certificate of the organization shall be suspended following clause 14.3 of the procedure.

12.2.1 Exception for unannounced audit

- a. If any country having less than 10 audits of each standard, at least minimum 1 unannounced audit need to be conducted for all standards.
- b. If a conflict of interest between certification personnel and an operator is found after assessment/certification has occurred, GSCS shall follow the unannounced audit immediately by another approved auditor/ scheme manager. In such case, full audit protocol shall be followed.

Exception of annual audits only for GOTS:

For Subcontractors

GSCS may decide for possible exemptions from the annual on-site inspection cycle under the provision for 'small-scale subcontractors with a low-risk potential' provided by GOTS Standard version 6.0. In context, the following criteria shall be followed –

- Clients employing up to 10 or less than 10 production workers and performing job work for a certified entity such as home-based working units and mechanical processing and manufacturing facilities in developed countries might be considered as 'small-scale'.
- However, On-site visit shall take place for the 1st time for granting certification and at least every 3rd year.
- Units performing wet processing cannot be considered as having a 'low-risk potential' regarding environmental criteria and processors/manufacturers employing workers in developing countries cannot be considered as having a 'low-risk potential' regarding social criteria.

Note 1: If any subcontracted units that have related scope certificates of their own and if certificate is valid then GSCS will not re-inspect the related subcontractor to avoid the repetitive task by multiple CBs but check the certificate validity.

For Traders & Retailers

1. Traders and retailers (any B2B activities, such as import, export and wholesale entities; whoever become trader/retailer of GOTS goods) with an annual turnover of less than 20,000 € (Euro) of GOTS Product will be exempted from the Certification obligation; provided they are only involved in Post-Production activities with GOTS goods i. e. they are not engaged in packaging/re-packaging* and labelling/re-labelling GOTS goods.
2. Traders/retailers that are not obliged to become certified, because their annual

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turnover with GOTS Goods is less than 20.000 € shall register with GSCS. In this context, the certified status of their supplier and the correct labelling of the GOTS Goods (with license number and certifier's reference of the supplier) shall be verified. As soon as their turnover exceeds 20.000 € they shall inform GSCS and are under obligation of certification.

3. However, On-site visit shall take place for the 1st time for granting certification and at least every 3rd year if the trader is obliged to become certified.

*Re-packing products from containers and redistributing them to new containers or removing bulk packaging by a (mail order) retailer and packing goods into boxes for shipping them to the consumer or packing into bags for handing them out to the consumer is not considered re-packaging. Handling of returned goods and repacking them for (re)sale is also not considered to be re-packaging. If individual product packaging and/or product identification is removed and new packaging / labelling is attached, this is considered an activity which requires certification.

12.3 Extra Visit / Additional Visit

For GRS & RCS certification, material collectors and/or material concentrators that supply directly to the certified operator are subjected to additional verification by GSCS before the certified operator has sought transaction certificate for their certified products on below conditions.

- GSCS shall keep a list of all collectors and concentrators that supply to recycling clients. 10% of this total shall be chosen for additional verification, with 2% chosen for physical inspection.
- GSCS shall try to avoid inspection of the same sites from one year to the next, if possible.

Direct verification of Material Collectors and Material Concentrators shall be sought to verify the authenticity of the Reclaimed Material.

GSCS may plan for extra visit/ additional visit to certified/ audited clients on below circumstances:

- a) If auditor anticipate any substantial risk for future in the operator's facility, he /she may recommend extra/additional visit before certification decision.
- b) If reviewer finds any discrepancy in audit documents in reviewing phase that might result in risk for product integrity or any specific requirements of standard is not covered during audit, he/she may recommend extra/additional visit immediately before taking the certification decision.
- c) If any periodic external/internal quality check requires or if any change/update takes place via standard/GSCS internal procedure, GSCS may recommend extra/additional visit to the certified / audited clients immediately by approved auditor.

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Special Notes for Additional/ Extra Visit

Scheme Manager/ Chief Quality Officer is responsible to assign auditor to conduct the extra/additional visit. An additional report (PCF40-Unannounced & Additional Audit Report) shall be issued on the findings of such visit.

Consequences of additional/extra visit-

- a) If the operator's process to comply with the requirements of standard is found to be **“not-in-place” or “insufficient” or “unacceptable”** during the additional visit, GSCS shall raise findings/non-conformity for immediate corrective action. If client fail to take the corrective action within given timeline or 7-days, whichever is longer, the certificate shall be suspended/withdrawn (for certified client) or in case of audited client (certification decision not yet done) if corrective actions have not been implemented and handed within the said time, the company will receive a Rejection Letter, and the Client Agreement will be terminated. In case of suspension/ withdrawal of certificate, GSCS shall inform to Textile Exchange accordingly.
- b) If the operator has produced certified product or on-going of certified product production, GSCS shall recall the products as listed on additional visit report. GSCS shall request the operator to inform their buyer or GSCS shall inform directly to product owner on such event. As well, GSCS shall not issue any transaction certificate or cancel /withdraw the issued TC (s) for those products.

13.Changes affecting certification

Once standard setter introduces new or revised requirements which affect the operator, GSCS shall inform to all operators by email and/or website. GSCS shall verify the implementation of the changes by its operators and shall take actions required by the standard and GSCS shall timely update and implement the respective document.

GSCS certified clients shall inform to GSCS about any changes cited in the requirements of previously filled up application form, client agreement, scope extension/reduction, related activity, process, product composition etc. GSCS shall send the clients **PCF42-Application for Change Request** and client shall fill the form according to their changes. GSCS shall consider other changes affecting certification, including changes initiated by the operator, and shall decide upon the appropriate action.

GSCS shall ensure that auditors are aware of the changes to the Standard(s) and related changed requirements by providing relevant trainings (included in CPD, PCWI21-2-Competency Criteria), will accommodate such requirements in the audit report/checklist, audit plan etc. (if needed).

The actions to implement changes affecting certification shall include, if required, the following:

- evaluation;
- review;
- decision;

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- issuance of revised formal certification to extend or reduce the scope of certification;
- Re- evaluation/surveillance activities

If such is the case, the client shall not be allowed to release certified products produced under the changed conditions until the GSCS has notified the client accordingly.

Any changes in scope certificate will be informed to Textile Exchange/ GOTS public database will be updated accordingly.

Reference Document (s)

PCF40-Unaannounced and additional audit report

PCF42-Application for Change Request

14.Termination, reduction, suspension, or withdrawal of Certification

When a nonconformity with certification requirements is substantiated, either as a result of annual audit or otherwise such as announced audit, GSCS shall consider and decide upon the appropriate action.

The appropriate action may include:

- Certification may continue under special safeguarding (e.g. GSCS shall conduct unannounced visit), **PCF40-Unaannounced and additional audit report**
- Reduction in the scope of certification to remove nonconforming product variants;
- Suspension of the certification pending remedial action by the operator;
- Withdrawal of the certification.

When the appropriate action includes evaluation, review or a certification decision, the requirements in this procedure shall be fulfilled.

14.1 Termination of certification:

In case of termination of scope certificate (by request of the operator), suspended or withdrawn, GSCS shall take actions specified by the certification standard and shall make all necessary modifications to formal certification documents, public information, authorizations for use of marks, etc., in order to ensure it provides no indication that the product continues to be certified.

If fraud or other misrepresentation is found to exist, the GSCS will take appropriate action:

- If fraud or other misrepresentation is found during the inspection, operator shall be suspended and take related action which specified at this document.
- If fraud or other misrepresentation is found after the inspection, operator shall be suspended and necessary action according to this document will be

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taken.

In case reasons for denial or withdrawal of certification include fraudulent activities the GSCS shall promptly notify Global Standard gGmbH. GSCS shall not offer certification to those clients within a period specified by Global Standard gGmbH.

14.2 Scope Reduction of certification:

In case of reducing the scope of certificate, GSCS shall take actions specified by the TE standards and shall make all necessary modifications to formal certification documents, public information, authorizations for use of marks, etc., in order to ensure the reduced scope of certification is clearly communicated to the operator and clearly specified in certification documentation and public information.

14.3 Suspension or withdrawal of certification:

In case of suspension of certificate, GSCS shall assign one or more persons to formulate and communicate the following with clients:

- Actions needed to end suspension and restore certification for the product(s) in accordance with the certification standard;
- Any other actions required by the certification standard.

These persons shall be competent in their knowledge and understanding of all aspects of the handling of suspended certifications.

If certification is reinstated after suspension, GSCS shall make all necessary modifications to formal certification documents, public information, authorizations for use of marks, etc., in order to ensure all appropriate indications, exist that the product continues to be certified. If a decision to reduce the scope of certification is made as a condition of reinstatement, GSCS shall make all necessary modifications to formal certification documents, public information, authorizations for use of marks, etc., in order to ensure the reduced scope of certification is clearly communicated to the operator and clearly specified in certification documentation and public information.

GSCS shall inform Textile Exchange, Global Standard gGmbH, 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.

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

GSCS shall not issue transaction certificates relating to scope certificates which are suspended or withdrawn, regardless of when the product was sold, and shall not permit a suspended organization to sell claimed materials or to use logos or labels for the Standard.

Reference Document (s)

Annex19 - Certificate Cancellation Notice

Product Certification Procedure

15. Transfer of scope certificate

Any certified operator has right to change the existing certification body. GSCS shall honor this right of GSCS certified clients. As well, GSCS shall accept the request from any certified operator that is certified by other certification body.

GSCS shall conduct the adequate due diligence before accepting the transferred certificate such as collecting the previous certifier non-conformities report and/ or audit report etc.

If any certified operator requests to conduct their re-certification by GSCS that is already certified by other certification, GSCS will follow the below steps:

- GSCS may conduct the audit before expiration of the existing certificate, but certification decision shall be made immediate after expiry of previous certificate or getting cancellation letter from previous certification body.
- GSCS shall not provide any duplicate certificate to any operator.

Special note for GOTS: GSCS shall comply the Policy for Change of Certifiers, 2020 for any transfer clients who are already certified/audited by other certification bodies.

16. Transaction Certificate

Regarding issuing of transaction certificate (TC), GSCS will follow the harmonized TC Policy and Template of Textile Exchange standards and GOTS for issuing Transaction Certificates (TCs).

However, GSCS certified client shall only apply for transaction certificate via TC application form through e-mail to GSCS TC Controller along with the below documents:

- Financial Records (Bank receipt, SWIFT, Letter of Credit, Income Tax Records etc., whenever applicable/required, please see clause 16.1 for details)
- Commercial Invoice
- Purchase Order
- Product quality test reports (input and output) (For Ginning, Spinning and whenever necessary/required)
- Packing list
- Bill of lading (BL) and/or transport document
- Raw materials TC
- Raw material purchasing document such as Bill of Lading/transport document and/or Commercial Invoice, Financial Records (if necessary) etc.
- Quantity control sheet (QCS)
- The identity of any subcontractors who handled the material while it was owned by the organization
- Transport documentation/delivery records, invoices etc. between the Scope Holder and Subcontracted Unit.

If client is certified of any other Standard of same scope by another CB: GSCS shall

Product Certification Procedure

exchange information with the respective CB to conform used/balance records claimed by client of incoming TC before issuing outgoing TC through **PCF35-Balance Summary**.

After cross checking of all relevant information, TC controller will issue the transaction certificate on behalf of Scheme Manager/File Reviewer. Scheme Manager/ File reviewer/CQO is responsible to conduct the random checking of 10% of total TC. Scheme Manager/ File reviewer shall input the error of TC controller. If identified error is 10% or more on issued TCs, Scheme Manager/File Reviewer shall initiate training to TC controller to be more competent. During this period, Scheme Manager/File Reviewer shall be responsible to review of 100% TC application.

TC Template shall follow the below:

- a. Dates shall be specified using the ISO 8601 format: YYYY-MM-DD, e. g. 2021-07-01.
- b. When writing numbers, the "." character shall be used as a decimal point, and the "," character shall be used as a thousand separator, e.g., 12,345.67.

GSCS shall use individual TC number as Standard Name with three-digit GSCS identifier (GSS)- then standard's acronym, then eight digits unique number, e. g. **GSS-GRS-100000X**.

All the error shall be recorded in **PCF55 - TC directory**.

16.1 Verification of Transaction Certificates

- a. GSCS shall evaluate the authenticity of incoming documentation provided, including confirming the authenticity of the incoming transaction certificate(s) via QR code/authentication method provided with the incoming documents such as QR code of Incoming TC or website verification or via email to respective certification body who issued the incoming TC.
- b. GSCS shall compare the products to those listed in the scope certificate to ensure they are authorized and that it is technically possible for the claimed products to be produced with the claimed input material using the processes and capacity of the production facility listed on the scope certificate.
- c. Before issuing a transaction certificate, GSCS shall perform a check by reviewing available inventory (taking into account production loss) to ensure that enough certified input was available.
- d. Where transaction certificates are approved without the verification of financial records due to the unavailability of bank receipts, GSCS shall check financial records (e.g., bank receipt, SWIFT, letter of credit, Income tax records) of certified input and output materials per scope certificate holder using the below sampling method to detect if any substitution of certified and non-certified material has occurred in the previous scope certificate validity period:

Product Certification Procedure

Number of transaction certificates per scope certificate issued in the last 12 months	Number of transaction certificates per scope certificate for which financial records shall be reviewed
1-100	At least 5 transaction certificates or 5% of the total, whichever is greater.
101 to 500	At least 10 transaction certificates or 2% of the total, whichever is greater.
501 to 1000	At least 15 transaction certificates or 1.5% of the total, whichever is greater.
>1001	Half the square root of the total number of transaction certificates.

16.2 Amendment and Invalidation of Transaction Certificates

GSCS may amend a transaction certificate in the following cases:

- a. To reduce the quantity of claimed material,
- b. To increase the quantity of claimed material (allowed only within 7 calendar days from issuance of main TC),
- c. To correct typographical errors (allowed only within 7 calendar days from issuance of main TC),
- d. To downgrade the claim from GRS to RCS
- e. To invalidate the transaction certificate

Invalidation of a Transaction Certificate shall take place if any of the following apply:

- f. Falsified or fraudulent documents to obtain the transaction certificate has been presented.
- g. The transaction certificate is issued with an error
- h. The applicable input transaction certificate is invalidated
- i. The claimed materials/products are otherwise shown to be ineligible for the claim being made.

Reference Document (s)

PCT06-TC Template for GRS
 PCT07-TC Template for RCS
 PCT08-TC Template for OCS
 PCT09-TC Template for RDS
 PCT10-TC Template for RWS
 PCT23-TC Template for GOTS
 PCT26-TC Template for CCS
 PCF55-TC directory
 PCOP21-Transaction Certificate Procedure

17. Label Release to Client

If any operator requests for assured claims and logo use as specified in TE301-Standards Claims Policy and TE302-Standards Logo Use Specifications for Textile Exchange and Condition for the use of GOTS signs v3.0 to release the permission to use logo and claim product, GSCS shall communicate with them and send them **PCF53-Claim Approval**

Product Certification Procedure

Application Form for Textile Exchange standards and **Label Release Form** for GOTS.

The core responsibility of issuing label release is of the approved Claim Approver of Textile Exchange standards and GOTS designated by GSCS.

GSCS shall refer to TE301-Standards Claims Policy and TE302-Standards Logo Use Specifications for Textile Exchange and Condition for the use of GOTS signs v3.0 to release any label to clients.

17.1 Issuing Claims Approvals for Assured Claims

- a. GSCS shall only issue claims approvals to an organization which holds a valid scope certificate or to a retailer who is selling a certified brand's products.
- b. If an informational statement appears next to or near an assured claim, a claims approver shall review the statement for accuracy.
- c. The certification body shall provide a response to each new and updated claims approval application within seven calendar days.
- d. A copy of each claim approval shall be emailed to Textile Exchange.
- e. GSCS may review claim approval applications from brands prior to the initial certification and may issue a pre-approval prior to certification, but final approval shall be required after completion of certification. The brand/operator must not make any public facing claims based on the pre-approval prior to receiving a final approval.

17.2 Review of Existing Claims

- a. During each audit, GSCS auditors shall review all claims being made by the organization to ensure that:
 - A valid claim approval is in place from a certification body for all assured claims
 - Only eligible products are labeled, and each label corresponds with the product in terms of label grade and material composition.
 - If an informational statement is made in relation to or near a product-related claim (e. g. on a hangtag or on a product page), the statement is accurate and aligns with the allowed language
- b. The certification body shall check consistency between approved artwork claims and approved transaction certificates using the below sampling method:

Number of transaction certificates per scope certificate issued in the last 12 months	Number of transaction certificates for which approved artwork claims shall be checked
1-100	At least 5 transaction certificates or 5% of the total, whichever is greater.
101 to 500	At least 10 transaction certificates or 2% of

Product Certification Procedure

Number of transaction certificates per scope certificate issued in the last 12 months	Number of transaction certificates for which approved artwork claims shall be checked
	the total, whichever is greater.
501 to 1000	At least 15 transaction certificates or 1.5% of the total, whichever is greater.
>1001	Half the square root of the total number of transaction certificates.

All GSCS issued Label Release will bear a unique number in the following format, GSCS-Standard Name-Country Initials-Five digits starting with 1, for example – GSCS-RCS-BD-10001.

If GSCS identifies any disallowed claims by an organization that is not currently certified or in the application process, GSCS may report these claims to Textile Exchange by filing a complaint with Textile Exchange as per ASR-110 Complaints and Feedback Policy.

Reference Document (s)

PCF53-Claim Approval Application Form
Label Release Form for GOTS