

STANDARD PROCEDURES FOR TEXTILE CERTIFICATION

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1 SCOPE AND PRINCIPLES

1.1 Applicability

On the basis of the IMO Textile Certification Program, the Institute for Marketecology (IMO) conducts audits and certifications of operators and products in the field of production (estates, all kinds of smallholder groups), processing and trade all over the world.

IMO audits and certifications are conducted in accordance with set standard procedures that provide for a professional and objective control procedure for eco-friendly and socially produced products throughout the chain of custody. In this regard, the IMO Standard Procedures are the core part of the quality assurance system of the said Program.

In organic agriculture IMO is accredited to perform field inspection and organic (fiber) certification according to the legal organic production standards such as EEC 2092/91, USDA NOP, JAS and others.

In the processing and manufacturing field certification according to the IMO Textile Certification Program is requested by operations that want to get qualified for a specific organic / eco-friendly textile standard program. On basis of the cooperation contracts with various standard organizations (International Working Group on Global Organic Textile Standard (GOTS), International Association Natural Textile Industry (IVN), Soil Association (SA), Demeter) IMO is entitled to offer and implement the corresponding quality assurance program. Each operation who wishes to become certified by IMO according to the Program must fulfill the respective certification requirements and must be inspected and certified by IMO according to the procedures outlined in this document and the standard on which the inspection / certification will be based on (e.g. GOTS, IVN BEST Guidelines). Beside quality assurance for the mentioned standard schemes, IMO also offers independent verification according to company owned standards / criteria as well as product flow control of organic fiber throughout the entire processing chain to assure organic origin of the fibers in the final garment.

1.2 No Discrimination

IMO will accept all production and handling applications that fall into the scope of the IMO Textile Program and certify all qualified applicants to the extent of its administrative capacity. However, IMO reserves the right to refuse applicants or certification in case there is evidence that it may be misused to cover up unfair competition or dishonest practices.

1.3 Data Security

In order to safeguard its objectivity and independence, IMO has adopted the following Data Security System (see also IMO CH I, 1.6):

All IMO personnel, including those who render services on a freelance basis, have signed a written agreement to keep all private information gained in the course of the audit and certification procedures strictly confidential. Such information may only be passed on to defined third parties on specific request of the operator. Certain data may, however, have to be disclosed to the accreditation agency, which in turn are strictly bound to confidential treatment of the same.

As per principle, IMO does not engage in consulting of certified operations or product development; IMO and its personnel are bound to act strictly unbiased and brand neutral and will not engage in trading activities of any kind. Any personal engagement, that could lead to conflicts of interest have to be declared to IMO and will be duly considered when assigning the person.

However, the following information is considered public information and may be disclosed by IMO in publications (e.g. on IMO website) or on request: A list of all certified operations including their name and address and certified products/activities.

If in the course of interviews with workers, confidential (critical) information is revealed, anonymity will be strictly granted in order to protect the informant from possible negative impact or punishment.

1.4 Quality Assurance

IMO ensures that a complete quality assurance system according to the norms of EN 45011/ISO 65 is in place. This includes standard procedures for all important aspects of activities (incl. data handling and filing) and quality management of personnel.

IMO has to ensure that all personnel involved in audits, evaluation or certification decision taking has received appropriate training in the applicable standard requirements as well as social auditing techniques and has received all related procedures and QS documents.

IMO takes all appropriate measures to prevent conflicts of interests. An updated auditor's as well as evaluation/certification staff data base is kept in which all declared conflicts of interests are indicated and the relevant restrictions resulting from the declared and identified conflict of interest are outlined.

1.5 Costs and Services

All expenses necessary to conduct the audits, evaluations and certification will be charged to the mandator. IMO is giving support to minimize the costs and offers combined assignments for different customers if possible. All invoicing is done on the basis of the actual list of fees. Certification may be withheld until full payment of all invoices is received.

2 APPLICATION FOR CERTIFICATION

Whenever IMO receives an oral or written request for its services, explanations are given and in case of specific interest, further information is submitted depending on the planned scope of certification.

The operator demonstrates his concrete interest in the IMO services by submitting an application form (available on IMO website) containing the following information:

- Company name, contact details and legal form
- Description of project and involved operations, including activities, products, etc
- Requested scope of certification (standard / criteria on which the IMO certification should be based on)

In return the interested operator is provided with the following information:

- Textile Standard according to which the certification is requested (e.g. GOTS)
- IMO Standard Procedures Textile Certification (normally a summary document; the full document is available on IMO website)
- IMO Contract for Inspection and Certification of Textiles
- IMO Fee Table
- Cost Estimation

Based on the screening of the project's application documents and preliminary selection of an auditor the required time for the audit and certification(s) is estimated. If organic textile audits are

combined with audits for other schemes (e.g. social and fair trade), the respective additional audit time and certification costs may be presented in one combined budget.

Confirmation of the cost estimation is considered as application. In due course of the application procedures the IMO contract for Textile Certification is to be signed, in which the applicant confirms that he will work according to the certification requirements (as per selected scope) and grant access to all information needed for verification and evaluation. IMO screens the application to ensure that the operation may in principle qualify for certification.

If the operator had already been inspected by another agency according to the same standards, all certification documents from previous certification agencies (data release with document IMO I, 4.4.6G) are requested and the operator should submit information on possible corrective actions and further explanations in case he had been refused or withdrawn certification before.

If the application can be accepted, the audit is planned in due time. A project is only certified and thus entitled to market any of its produce as certified after successful finalization of the certification procedures.

3 PREPARATION OF AUDIT

3.1 Preparation by IMO

If the application respectively the annual budget has been approved and the advanced payment (normally 50% of the cost estimation) has been received, the date of audit is set and the visiting program defined.

The auditor is proposed by IMO, whereby taking into account his qualification with regard to specific knowledge in the operational field, language, time availability etc. The auditor will then receive all relevant documents for his preparation. He is bound to the confidentiality agreement signed for all private information gained in the course of this work.

The time of audit will be chosen with regard to specific activity periods (e.g. processing time for products in question) and the availability of the auditor. The duration of the on site assessment is determined for each project individually.

The audit schedule is normally announced to the project at least 14 days in advance. At the latest together with the notification of the audit date the operation receives the Company Questionnaire for Processing and Trading Companies and related forms to complete / update and have ready for audit.

If audit and certification according to different standards is required, IMO will try to combine the audits wherever possible, however restrictions may arise from audit qualifications. Organic inspections and textile audits can in most cases be combined in one visit.

3.2 Preparation by the Operator

In order to perform an efficient and professional audit, the operator is requested to prepare the visit the best way possible. The people in charge (e.g. manager, factory supervisor, etc.) shall be available in person, all relevant documents ready for check and necessary transportation should be well organized. It has to be verified that all received questionnaires are duly completed; open questions can be discussed with the auditor during his visit.

The operator shall be aware of the requirements of the standard(s) relevant to the inspection and shall have taken appropriate measures to ensure or work towards compliance. Of course these measures will also be discussed in detail during the audit.

All documents concerning the relevant activities of the operation (organic product flow documents such as incoming and outgoing invoices and packing lists, transaction certificates, processing sheets, recipes, safety data sheets, waste water descriptions, staff lists, working contracts etc.) are to be kept ready for audit.

4 AUDIT AND EVALUATION

4.1 Audits

4.1.1 Frequency of Audits

As a standard procedure, a full audit of each operation in the relevant chain of custody will take place once per calendar year.

Additionally, IMO may at any time conduct unannounced spot checks or additional audits. In justified cases the audit period may also be extended to more than one year.

The operator has confirmed in the audit contract to grant the auditor unlimited access to all parts of its unit and all premises as well as all relevant documentation. The operator is also obliged to provide IMO with any information deemed necessary for the purposes of the audit.

4.1.2 Audit Procedures

The overall aim of the audit is to assess the operation's effective performance with regard to the criteria of the standard relevant to the inspection. In the frame of the audit it is checked whether or to what extent the operation meets the certification requirements. The audit covers a number of procedures, the sequence may, however, be decided by the auditor:

4.1.2.1 Introductory discussion

The managers in charge are informed about the planned flow of the inspection. Any remaining initial questions are cleared up.

4.1.2.2 Inspection of the grounds

The system of product separation, identification and quality assurance is checked to ensure that the company has the technology, staff and space to store and process ecological raw materials separately.

Inspection of the dyestuffs and auxiliaries available in production and in the store rooms and assessment of their use regarding conformity with the underlying standards and the safety regulations is performed.

An assessment of the cleaning methods and cycles and of the cleaning agents used is done.

The system for waste water (pre)treatment is checked and assessed.

4.1.2.3 Verification of operating documentation and bookkeeping

All basic processing descriptions (IMO Company Questionnaire for Processing and Trading Companies and related forms) are being screened and updated (if necessary).

Detailed inspection of additional documents specifically for operations, including lists of suppliers, proof of the origin of raw materials and additives (certificates), recipes, safety data sheets for process chemicals and others takes place.

Audit of the book keeping and product flow documentation takes place. Check of purchase records, processing documentation and sales documentation in order to follow up the relevant product flow. For initial inspections, the necessary steps are generally specified so that a product flow calculation becomes possible. The goal is to make the flow of goods as transparent as possible so that the exact flow of organic goods from stage to stage can be calculated. In this process, it will be determined which documents can serve as sources of the data. The quantitative flow of products calculation of the organic raw materials needs to be plausible.

If deemed useful, a product flow analysis can also be conducted for additives or process chemicals.

4.1.2.4 Verification of social aspects

Check of the existing worker-related documents such as list of workers, workers contracts, payrolls, workers attendance sheet/work time records, social security records for workers, staff files etc. Confidential interview of workers may be made to confirm/cross check information obtained from the management and to collect information on socially relevant aspects such as discrimination and harassment. Physical visits of processing unit and activities are conducted to verify health & safety aspects, actual workforce situation, workers wellbeing etc.

4.1.2.5 Sample-taking for analyses

These samples are taken in accordance with the respective inspection system and in case there is reason to believe that inadmissible raw materials, additives or chemicals are being used.

4.1.2.6 Final discussion

The company's representatives are informed about the basic findings of the inspection, the further procedure, possible improvements, preliminary corrective measures, etc.

4.1.2.7 Creation of the inspection report

The results of the inspection are recorded by the inspector in an inspection report, which must be countersigned by a responsible employee of the company. One copy of the inspection report is retained by the company.

After finalizing the audit and – if applicable – carrying out further evaluation works, all documents will be submitted to the IMO Group Office Switzerland for further assessment and finalization of the evaluation process.

4.2 Evaluation

The process of evaluation includes the evaluation performance by the auditor during and after the audit and afterwards the thorough screening of all findings as stated in the inspection report and of all further information gathered in the meantime. The evaluator verifies that all procedures have been performed as required and that documentation is complete and sufficient.

Based on all information provided to the concerned evaluator, it is evaluated to what extent the applicant fulfills the certification requirements of the relevant standard. Additional Policies that relate to the relevant standard are used as basis for evaluation where applicable. Resulting corrective measures and continuous requirements are summarized in a final evaluation report, if necessary.

After finalizing the evaluation, the documents are submitted to the certification officer for decision.

5 CERTIFICATION

5.1 Decision on Certification

Certification is the final assessment and approval of the evaluation results with regard to an operation's compliance with the IMO certification requirements. Certification is strictly separate from audit and is always done by the IMO certification office.

The operator receives from IMO a certification notification, a summary of the inspection and evaluation results (= usually the evaluation report) as well as the final invoice.

5.1.1 Positive Certification Decision

If the activities are found to be in compliance with the relevant standard / criteria certification will be granted usually after authorization of the inspection and evaluation results (evaluation report) and balance of the final invoice. Minor corrective measures and continuous requirements may be included for the improvement of the operator's performance. The operation certificate is valid for a minimum of one year.

5.1.2 Procedures in case certification cannot be granted

In case the applicant is not able to comply with the compulsory requirements of the relevant standard / criteria, the applicant will receive a notification of non-compliance together with an indication of necessary fields of improvement listed in the evaluation report.

The evaluation report has to be authorized by the operator and returned to IMO together with a declaration on how the operator is planning to implement the required corrections. By confirming the evaluation report the operator accepts the certification results and agrees to the therein listed conditions and obliges himself to fulfill them in due time.

On basis of the declaration and further documentation received the operator IMO will then assess if certification can be granted or if further measures for verification (e.g. follow-up audit) are necessary. In case it is obvious that the compulsory requirements of the relevant standard / criteria can not be fulfilled, certification according to the standard cannot be granted until the non-conformities are cleared. In this case IMO is able to at least confirm the procedures that are already fulfilled by the operator (e.g. confirmation for the use of organic cotton fiber for a range of products without reference to the textile processing criteria, in case these are not fulfilled).

5.1.3 Procedures in case of re-certification

If the actual audit proves that the compulsory requirements are still fulfilled, the operator receives an updated certificate.

If the operator has been certified before and requires continuation of certification, however the compulsory certification requirements are no longer fulfilled, certification is suspended with immediate effect and the operator is informed not to make any further reference to IMO certification on any product labels or PR material and to inform his clients accordingly.

If certification has not been granted or had to be withdrawn, the operator can request at any time to take up certification procedures again and hence schedule another audit to confirm that he is meanwhile compliant with the certification requirements and certification can be granted. Depending on the time frame between the first audit and the follow-up audit and the fields of non-compliance, IMO can decide to focus the second audit on selected issues only.

6 CONTINUATION OF CERTIFICATION

6.1 Communication

6.1.1 Obligation of information exchange

A certified operator must notify any substantial change in his activities or in the measures taken to ensure compliance with the relevant standard by submitting an updated version of the relevant IMO form(s) (Questionnaire Manufacturer Textile (form 5.1), List of Articles (form 5.1.1), Register (form 5.1.2), List of Textile Auxiliaries (form 5.1.3), Course of Production (form 5.1.4)). This includes information on new suppliers or new recipes for processed products, major changes in labour policies, a new processing facility, etc. All these activities need to be approved / audited by IMO prior to considering them part of the certified operation.

For small changes it is sufficient to highlight them in the annual updating of the Questionnaire Manufacturer Textile and related forms in due time before the audit takes place.

6.1.2 Information from other Parties

In case of receiving indication of non-compliance of a certified operator from third parties or authorities, IMO will take appropriate measure to investigate the matter.

6.1.3 Standard Amendments

It is the operator's obligation to ensure that he always has the most up-to-date version of the relevant standard at hand as basis for his activities. In order to facilitate the updating, IMO will indicate important changes of the requirements explicitly.

6.2 Annual Audit and Continuation of Certification

As a standard procedure, each calendar year a full on-site audit of all certified operations is conducted by IMO, provide the relevant standard does not define another audit frequency for the operation in question. The findings are evaluated in detail and the operation proposed for certification.

The procedures for these steps are described in chapter 4 'audit and evaluation'. Then, certification is granted or withdrawn as described in chapter 5 'certification'.

6.3 Exceptional Withdrawal of Certification

Certification and the right to use indications of certified production can be withdrawn at once or at a certain deadline under any of the following conditions:

- Cancellation of the contract by the operator or IMO
- Refusal of audit
- Refusal of information
- Major violation of compulsory criteria of the relevant standard and/or corrective measures and further requirements set by IMO
- Attempted fraud or willingly false statement
- Evidence that IMO Textile certification is being misused to cover up unfair competition or dishonest practices
- The operator has not paid his fees to IMO in due time

In all the cases mentioned above the operator will receive a notification and deadlines.

7 LABELING AND USE OF IMO SEALS

7.1 Labeling

Products under scope of granted IMO certification are to be labeled in accordance with all relevant criteria of the underlying organic / eco-friendly textile standard program.

For the Global Organic Textile Standard (GOTS) the wording for labeling is defined in the standard (GOTS, chapter 1.4). The working group on GOTS may further decide on usage of a unique seal and/or a corresponding licensing system.

For the International Association Natural Textile Industry (IVN) the labeling options are defined in the 'IVN Styleguide'.

IMO certified operators are requested to get their labeling approved by IMO prior to its usage.

7.2 IMO-Logo

As described in the General trademark Policy (IMO I, 2.5.1) certified operators may use the IMO logo (trademark) for product labeling as the products are certified, and as long as a valid contract with IMO exists and IMO has approved the package/labeling. The application of the IMO trademark is not subject to charges and not compulsory.

The logo may also be used for advertisement purposes by certified operations, however only after approval of its use by IMO. It has to be ensured that the logo is not used to make any claims exceeding the certification status granted by IMO.

8 COMPLAINTS AND APPEALS PROCEDURES

8.1 Complaints

Complaints concerning the applied procedures as well as the audit or certification personnel are being dealt with according to agreed complaint procedures (IMO CONTROL CHI, 4.5.3).

8.2 Appeals

8.2.1 General Procedures

Appeals against certification decisions are dealt with as follows:

The operation is informed about the right to appeal the certification decision by the following indication in the certification notification "This decision may be appealed within 14 days to IMO, Weststr. 51, CH- 8570 Weinfelden"

If an operator does not agree with a certification decision the following procedures may be followed:

Within 14 days after receiving the certification letter, the operator submits a written rebut of the described facts to the IMO-secretariat by submitting new evidence or additional justification. On this basis IMO re-evaluates the situation. All steps are duly documented.

The result is communicated to the operation in writing.

If no agreement can be found, each party can call for a court of arbitration. Procedures for this case are defined in the document IMO I, 4.5.5.

8.2.2 Appeals against Cancellation of Certification Contracts

In order to be legally valid, cancellation of contracts must be done within the timeframe agreed in the contract. Immediate cancellations of contracts by IMO are always to be approved by the managing board of IMO and are subject to possible appeal. This applies also to decisions for suspension or withdrawal of certification due to outstanding payments.

IMO 27.2.2007