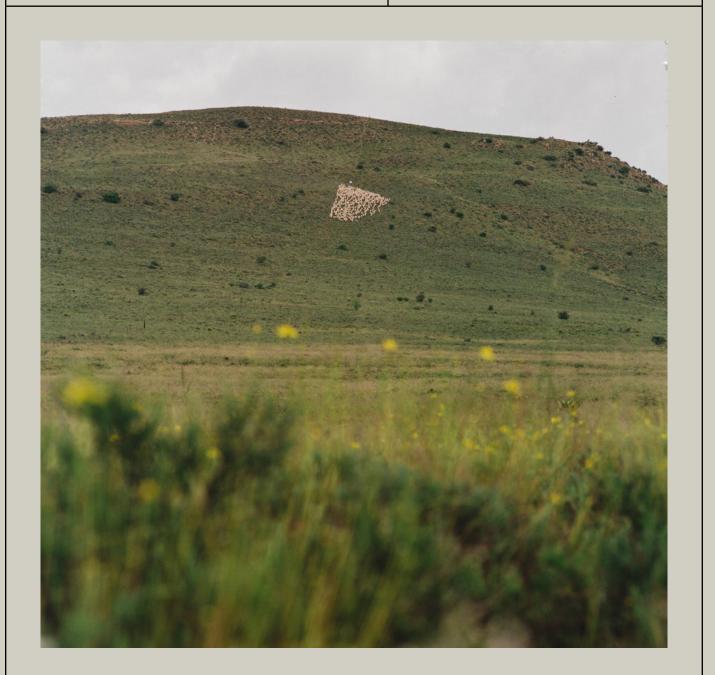
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TEXTILE EXCHANGE STANDARDS



TEXTILE EXCHANGE CERTIFICATION FEE STRUCTURE

Document Information

Document Code **Document Code TE-TXL-POL-701** Legacy Code **ASR-107** Version Publication Date July 1, 2025 Effective Date January 1, 2026 NOTE: See section A1 for more details. Document Revision History Document Revision Notes ASR-107-V2025.0 was revised and re-released under its new July 1, 2025 V1.0 code: TE-TXL-POL-701

Document Revision and Interpretation

The Certification Fee Structure will undergo a review process at least every five years. Points of clarification may be incorporated into supplementary and guidance documents prior to the next review. More substantive feedback or suggested changes will be collected and assessed as part of the next review of the document.

Any uncertainty regarding the correct interpretation of a criterion should be resolved by the "Notes and Examples" section, where possible. You may submit feedback to Textile Exchange's standards system at any time via <u>this form</u> or by sending an email to <u>standards@textileexchange.org</u>.

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A. About the Document

Textile Exchange licenses *certification bodies* to perform *certifications* in accordance with Textile Exchange *standards*. The certification body is charged the following fees based on the requirements in this document:

- A one-time application fee; and
- A fee based on each certified scheme participant.

Textile Exchange does <u>not</u> charge fees for transaction certificates or for logo use and claims by certified organizations, certification bodies, or accreditation bodies at this time. There are no fees for accreditation bodies.

Please note that Textile Exchange does <u>not</u> charge fees to certification bodies' clients directly for certification services related to our standards at this time. Each certification body sets and charges its own fees, which may or may not include fees charged by Textile Exchange to the certification body.

For questions about the costs of certification for companies, please refer to <u>textileexchange.org/faq/how-much-does-certification-cost/</u>.

A1. Implementation

The following implementation timelines apply:

A1.1.1	The <i>TE-TXL-POL-701-V1.0 Certification Fee Structure</i> is effective January 1, 2026. It replaces <i>ASR-</i> <i>107-V2025.0</i> which shall not be used as of the mandatory date of <i>TE-TXL-POL-701-V1.0</i> (see A1.1.2)
A1.1.2	The mandatory implementation date for <i>TE-TXL-POL-701-V1.0 Certification Fee Structure</i> is January 1, 2026. All fees charged to certification bodies on or after January 1, 2026 shall be calculated using <i>TE-TXL-POL-701-V1.0</i> .
	NOTE:
	 The certification fee structure is undergoing a major revision alongside the Materials Matter standard, which may include further changes to how fees are calculated and charged for all participants of the Textile Exchange standards system. Any such updates will be shared via formal policy revision, release, and/or calibration as needed.

A2. Document References

All organizations are subject to the criteria of the following documents, and it is essential that they are used alongside this document. All can be found at <u>textileexchange.org/knowledge-center</u>. Where a specific version of a document is referenced, this is to ensure clarity in referencing specific criteria and does not supersede mandatory implementation dates for future versions of the document. The latest version of referenced documents, including any amendments (e.g. calibrations), applies for those without a version number.

A1.1.3 TE-TXL-POL-203 Scope and Transaction Certificates Policy

	 NOTE: 1) This document is currently coded and named as <u>ASR-103-V3.1 Policy for Scope Certificates</u> (ASR-103) and <u>ASR-104-V3.1 Policy</u> <u>for Transaction Certificates</u> (ASR-104).
A1.1.4	TE-TXL-POL-204 Scope and Transaction Certificates Standard Specific Details
A1.1.5	TE-TXL-DAT-501 Materials, Processes, and Products Classification
	NOTE: 1) This document is currently coded and named as <u>ASR-213-V1.4 Materials, Processes, and Products Classification</u> (ASR-213).
A1.1.6	TE-TRK-DAT-501 Certification Body Data Specification
	NOTE: 1) This document is currently coded and named as ASR-507 Certification Body Data Specification (ASR-507).

A3. Document Definitions

Refer to <u>Textile Exchange glossary</u> for definitions of terms used in this document. Defined terms are shown in *italics* in the first usage in this document, and in some other uses for clarity.

NOTE: Please note that <u>TE-101 Terms and Definitions for Textile Exchange Standards and Related</u> <u>Documents</u> will not be updated going forward and will become obsolete (i.e. retired) alongside the mandatory implementation date of the <u>Materials Matter Standard</u> (TE-MM-STN-101). Therefore, TE-101 may still be referenced until the <u>Materials Matter Standard</u> becomes mandatory, but the Textile Exchange glossary (https://textileexchange.org/glossary/) takes precedence in case of any contradiction or omission.

Section 1 – Certification Body Fees

1.1. Certification Body Application Fees

1.1.1	When a certification body applies to Textile Exchange to be licensed to certify to one or more Textile Exchange standards, they shall complete a one-time application and pay a fee in accordance with the following schedule:
	a. A fee of \$6,000 USD for an application from a new certification body or for a certification body who is re-applying following rejection or withdrawal or a previous application. And
	b. No fee for an application from a certification body with an existing Licensing Contract with Textile Exchange.
1.1.2	Textile Exchange may reduce or waive application fees for specific geographic or standard scopes if there is a need for additional certification body capacity for that scope.
1.1.3	Application fees are non-refundable regardless of whether the application is subsequently accepted or rejected by Textile Exchange or withdrawn by the certification body.

1.2. Certification Body Scheme Participation Fees

- **1.2.1** Scheme participation fees are charged to each certification body and calculated as a flat fee of **\$525 USD** per year per each active (valid or suspended) certified organization (identified by unique Textile Exchange-ID (TE-ID)) certified by that certification body. This excludes *farm* organizations (see 1.2.3).
- **1.2.2** Scheme participation fees are charged based on the following process:
 - a. Once per quarter, Textile Exchange prepares a data extract listing the total number of certified organizations in the Trackit database, multiplied by 25% of the flat, annual fee.
 - b. Textile Exchange sends this data extract to each certification body and issues an invoice in that amount as per the schedule in 1.2.2.c.
 - c. Quarterly Invoicing Schedule:

Quarter	Determination Date	Data Extract Date	Invoice Date
Q1	31-Mar	No later than April 10	No later than April 30
Q2	30-Jun	No later than July 10	No later than July 31
Q3	30-Sep	No later than October 10	No later than October 31
Q4	31-Dec	No later than January 10	No later than January 31

EXAMPLE:

 A certification body certifies 100 active certified organizations (identified by unique TE-ID) as of March 31, and this list is sent to the certification body on April 4. The certification body does not certify farms. The resulting invoice is issued on April 17 in the amount of \$13,125 USD (i.e. 100 x \$525 USD x 25%).

NOTE:

- 1) The data extract is based on scope certificate data extracted from the dTrackit system on the determination date.
- 2) Textile Exchange may communicate data extracts via alternative methods in the future (e.g. dashboards). Any such changes will be communicated to certification bodies as needed.

1.2.3 No scheme participation fee shall apply for the certification of farm organizations, defined as any certified organization with one or more of the following process categories on the cover page of the scope certificate: PR0036 Farming (individual), PR0011 Farming (group), PR0038 Farming

1.3. Other General Scheme Participation Fee Criteria

(communal), or PR0037 Farming (area).

1.3.1	Fees shall be charged to the certification body based on a calculation of data in Textile Exchange's Trackit database. The fee is not considered a 1-1 "site fee" or a "certified organization fee", but rather a way to equitably charge certification bodies an aggregate amount to operate within the Textile Exchange system. As a result, adjustments, exceptions, and other considerations to the data extract shall not be considered .
1.3.2	If an organization holds more than one scope certificate with different certification bodies, the organization shall be included in fee calculations for each applicable certification body.
1.3.3	If an organization's certification is suspended or withdrawn, including due to a ban from Textile Exchange, no refund is provided to the certification body for scheme participation fees paid.
1.3.4	The certification body is responsible for any additional fees which are calculated due to the certification body's data submission errors, including but not limited to duplicated data. Textile Exchange does not consider fee adjustments for data errors.

1.4. Fees for Oversight Work

1.4.1 No fee applies for oversight work conducted by Textile Exchange or additional assurance providers contracted by Textile Exchange.

NOTE:

¹⁾ Textile Exchange may add fees for oversight work deemed to go beyond the routine monitoring of certification bodies and accreditation bodies in a future version of this policy at cost-recovery basis for expenses incurred (e.g. travel expenses, additional assurance providers) and for staff time at a rate comparable to the rates charged by accreditation bodies.

Section 2 – Certification Body Invoicing and Payment Terms

2.1. Invoicing Schedule

2.1.1	Textile Exchange invoices the applicant certification body for application fees upon receipt of the certification body's application form.
2.1.2	Textile Exchange invoices each certification body for scheme participation fees on a quarterly basis, as soon as data collection allows, per calculation methodology detailed in section 1.2.2.
2.1.3	Textile Exchange may charge a financial penalty if data and/or invoice payment is submitted by the certification body 30 calendar days or more after the stated mandatory reporting and/or payment due date.

2.2. Payment Terms

2.2.1	In the event that a certification body's accreditation is suspended or withdrawn, the certification body shall remain responsible to pay all fees as required per this policy, including those that the certification body body may have not yet reported to Textile Exchange.
2.2.2	Any dispute related to an issued invoice shall be submitted within 14 calendar days of the invoice issuance date. The following details, and any others requested by Textile Exchange, shall be submitte to <u>data@textileexchange.org</u> in order for the dispute to be considered (as applicable):
	a. A list of the related scheme participant fees in dispute, the relevant data points (i.e. those required as per Trackit), and the reason(s) for the dispute (i.e. the related document code and criteria).
2.2.3	All invoices shall be issued to the certification body address as follows:
	a. For an applicant certification body, the address as submitted in the ASR-206 Certification Body Application Form or TE-TXL-TEM-201 Certification Body Application Form as applicable. Or
	b. For a licensed certification body, the address for which Textile Exchange has a contractual agreement, which is typically the office which holds accreditation and/or an approved grace period (i.e. as referenced in the ASR-208 Licensing Contract for Certification Bodies or TE-TXL-TEM-207 Licensing Contract for Certification Bodies as applicable).
2.2.4	All fees shall be paid in United States dollars (USD) and are non-refundable.
2.2.5	All invoice payments should be submitted electronically (wire or ACH) as per the routing details provided by Textile Exchange. If there are governmental restrictions on electronic payments (wire or ACH) in the certification body's home country, Textile Exchange may accept payment via credit card for an additional fee (see 1.6.6).
2.2.6	All credit card payments are subject to a 3% fee (based on the invoice total).