

Material Ledger Policy

Textile Exchange is implementing a material ledger that tracks volumes of certified material available for sale by each certified organization. This system is intended to centralize volume reconciliation which has been maintained by certification bodies, and to allow for integration between the dTrackit and eTrackit systems. The material ledger allows for certified volume on transaction certificates to be used as inputs to eTransactions and vice versa.

The material ledger maintains an available balance of material—much like a bank account balance—for each input received by a certified organization. Inputs are defined based on the product (category and detail), and the certified raw material.

ASR-117 Material Ledger Policy outlines the criteria for certification bodies to transition to the use of the material ledger. Many criteria in this policy are transitional and will only apply temporarily or will be adapted for long-term use in **TE-TXL-POL-203 Policy for Scope and Transaction Certificates**, which will replace this policy. Some criteria are introduced as recommended practice (“should”) in this document and will become mandatory (“shall”) in TE-TXL-POL-203.

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Section A – General information

A1. Implementation

The following implementation timelines apply, please refer to Section B for additional timeline details.

- A1.1.1** The *Material Ledger Policy V1.0* Sections A-B are effective October 1, 2025, and may be used as of that date.
- A1.1.2** The *Material Ledger Policy V1.0* Section C is effective December 1, 2025, and may be used as of that date. Implementation of Section C is optional at this time but will become mandatory with a future policy.
- A1.1.3** The mandatory implementation date for *Material Ledger Policy V1.0* is **December 1, 2025**. All certification bodies shall be in conformance with *Material Ledger Policy V1.0* by **December 1, 2025**.

A2. References

- A2.1** 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 textileexchange.org/knowledge-center. 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.
 - A2.1.1** [*TE-301 Standards Claims Policy*](#) – This document describes the language and design criteria for communication related to the standard.
 - A2.1.2** [*CCS-201 CCS User Manual*](#) – This document accompanies the CCS and should be used for interpretation and guidance for users of the CCS, including all *sites* subject to *certification*.
- A2.2** Key *auditing* and certification criteria for certification bodies are specified in the following documents:
 - A2.2.1** [*ASR-101 Accreditation and Certification Procedures for Textile Exchange Standards*](#);
 - A2.2.2** [*ASR-103 Policy for Scope Certificates*](#);
 - A2.2.3** [*ASR-104 Policy for Transaction Certificates*](#);
 - A2.2.4** [*ASR-213 Materials, Processes, and Products Classification*](#);

A2.2.5 [CCS-102 CCS Certification Procedures;](#)

A2.2.6 ASR-217 Material Ledger Calculation Guidance; and

A2.2.7 TE-TXL-POL-203 Scope and Transaction Certificates Policy.

- a. This document is currently coded and named as [ASR-103-V3.1 Policy for Scope Certificates](#) (ASR-103) and [ASR-104-V3.1 Policy for Transaction Certificates](#) (ASR-104).

A3. Conformity levels

A3.1 The certification body issues critical, major, or minor non-conformities when a site is found to not meet the criteria of the standard. Full criteria for issuing *non-conformities* are found in [ASR-101 Accreditation and Certification Procedures for Textile Exchange Standards.](#)

Section B – Material ledger

This section describes the functioning of the material ledger. Following the initial implementation, certified organizations and their certification bodies will be able to see an overall balance of available volumes per certified input to that organization.

B1. Opening balance and preparation for the material ledger

In preparation for the material ledger, Textile Exchange will set the material ledger balance for all certified organizations to zero for all inputs on October 1, 2025. All transaction certificates issued and eTransactions approved on or after October 1, 2025, will be included in the material ledger.

To avoid confusion, certified organizations will not be able to see any visible balance in the material ledger until an opening balance is uploaded or until January 1, 2026.

- B1.1** The certification body shall upload an opening balance volume adjustment for each certified organization. This shall be completed no earlier than October 1, 2025, and prior to the mandatory implementation date of this policy (see A1.1.3). The opening balance volume adjustment shall include:
- B1.1.1** The TE-ID of the certified organization the volume adjustment applies to (`volumeAdjCoTeid`).
 - B1.1.2** A listing of each combination of a product category (`volumeAdjProductCategory`), product detail (`volumeAdjProductDetail`), and certified raw material (`volumeAdjRawMaterial`) which the organization receives as inputs, collectively referred to as an input.
 - B1.1.3** The available balance (`volumeAdjustment`) for each input identified in B1.1.1 in kg as of the start of the day on October 1, 2025.
 - B1.1.4** The applicable standard for each input (`volumeAdjStandard`), which is required for recycled inputs and optional for all other inputs.
 - B1.1.5** The date of the opening balance volume adjustment (`volumeAdjDate`), which shall be October 1, 2025, for opening balance volume adjustments. And
 - B1.1.6** The reason for the volume adjustment (`volumeAdjReason`), which shall be “OB” for opening balance.

NOTE 1: The opening balance volume adjustment is the balance available for use on an outgoing transaction certificate or eTransaction on October 1, 2025. If a certified organization has no certified inputs available for use on October 1, 2025, the opening balance volume adjustment number would be zero (0).

NOTE 2: See ASR-217 for guidance on calculating the volume adjustment. Volume adjustments are calculated for each certified organization rather than per facility. It is also acceptable for the certification body to upload available volumes from their ongoing volume reconciliation for the organization as the opening balance and to make any further corrections with the first annual volume adjustment (see B2.3).

B1.2 No opening balance volume adjustment is required for the following types of organizations:

B1.2.1 Organizations that first become certified on or after October 1, 2025, unless the organization has already purchased certified materials which are eligible to be sold as certified prior to October 1, 2025; and

B1.2.2 Certified brands who have not obtained any output transaction certificates or eTransactions since January 1, 2024.

B1.3 The certification body shall maintain a record of how each opening balance volume adjustment was calculated.

NOTE: No opening balance volume adjustment is possible until the organization's scope certificate has been issued.

B1.4 The certification body shall not upload more than one opening balance volume adjustment per input for the same certified organization.

B2. Ongoing implementation of the material ledger

B2.1 The certification body shall add volumes to the material ledger for scope certificates issued by the same certification body as follows:

B2.1.1 By using the alternative transaction certificate upload method (see C1) for eligible inputs.

B2.1.2 By submitting a reclaimed material declaration form (RMDF, see TE-MM-TEM-105 and [ASR-221 Calibration Log](#), calibration# 276) for reclaimed inputs. Or

B2.1.3 By creating a positive volume adjustment to add the volume of the inputs to the material ledger (see B2.3 - B2.5).

NOTE 1: Input volumes from incoming transaction certificates issued to Textile Exchange standards are automatically added to the buyer's material ledger when the transaction certificate is uploaded to dTrackit, provided that the issue date (`tcIssueDate`) is on or after October 1, 2025. Input volumes from incoming eTransactions are automatically added to the buyer's material ledger when the eTransaction is approved by the seller's certification body on or after October 1, 2025.

NOTE 2: If a transaction certificate dated prior to October 1, 2025 (i.e. September 30 or earlier) is uploaded to dTrackit on or after October 1, 2025, it will not impact the volumes in the material ledger. If the transaction certificate represents additional volume which was not included in the opening balance volume adjustment, an additional volume adjustment is needed to add the volume to the material ledger.

NOTE 3: Allowable volumes for farms certified to the Responsible Animal Fiber (RAF) standards and the Responsible Down Standard (RDS) are calculated based on the farm capacity provided with scope certificate data so no additional process is needed to add volumes. See B3 for further details.

NOTE 4: *TE-TXL-POL-203 Policy for Scope and Transaction Certificates* will include a mechanism for all inputs to be included in the material ledger without a volume adjustment and will no longer allow the use of volume adjustments for this purpose. The use of a volume adjustment for this purpose is a transitional measure.

B2.2 The certification body shall only issue a transaction certificate when there is sufficient volume available in the material ledger for all applicable inputs to products on the transaction certificate.

EXAMPLE: An organization uses 100 kg of post-consumer polyester fiber to produce 95 kg of yarn. A minimum balance of 100 kg of the fiber is required in the material ledger for the transaction certificate to be issued.

NOTE: Since the material ledger is maintained in terms of inputs, the volume needed for a specific transaction certificate is reflected with inputs (i.e. based on `inputTcCertifiedCertifiedRawMaterialWeightUsed`), prior to any waste factor which applies.

B2.3 The certification body shall upload a volume adjustment for each certified organization at least once per calendar year, which includes:

B2.3.1 The TE-ID of the certified organization the volume adjustment applies to (`volumeAdjCoTeid`);

B2.3.2 A listing of each combination of a product category (`volumeAdjProductCategory`), product detail (`volumeAdjProductDetail`), and certified raw material (`volumeAdjRawMaterial`) which the organization receives as inputs, collectively referred to as an input;

B2.3.3 The adjustment to the available balance (`volumeAdjustment`) for each input identified in B2.3.1 in kg;

B2.3.4 The applicable standard for each input (`volumeAdjStandard`), which is required for recycled inputs and optional for all other inputs;

B2.3.5 The date of the adjustment (`volumeAdjDate`); And

B2.3.6 The reason for the volume adjustment (`volumeAdjReason`, see B2.6).

NOTE: The following notes apply to B2.3:

- See ASR-217 for guidance on calculating the volume adjustment. Volume adjustments are calculated for each certified organization rather than per facility.
- The standard is required for recycled inputs to ensure that GRS and RCS certified materials are correctly tracked since they use the same raw material codes.
- The first volume adjustment after the opening balance volume adjustment considers all transaction certificates issued and eTransactions approved on or after October 1, 2025, regardless of the date when the opening balance was uploaded. And
- The first volume adjustment after the opening balance volume adjustment is required during 2026.

B2.4 The certification body shall maintain a record of how each volume adjustment was calculated.

NOTE: The record of how an opening balance volume adjustment was calculated may be part of the certification body's database system. A separate file is not required.

B2.5 A volume adjustment may be positive (i.e. an increase in available volume), negative (i.e. a decrease in available volume), or zero (i.e. no change in available volume).

NOTE 1: A negative volume adjustment may occur for reasons such as certified inputs being used to produce products sold as non-certified, or certified materials being damaged or destroyed.

NOTE 2: A zero-volume adjustment means that the material ledger is correct and there is no change in available volumes.

B2.6 The certification body shall provide the reason for the volume adjustment (`volumeAdjReason`), as follows:

B2.6.1 "OB" for opening balance, for use with the opening balance volume adjustment (see B1.1). This option is only available for use until December 31, 2025.

B2.6.2 For a zero-volume adjustment:

- a. "C" for correct, to indicate that the material ledger is confirmed to be correct.

B2.6.3 For a negative volume adjustment:

- a. "D" for material which has been damaged, destroyed, or sold as non-certified;
or

- b. “FC” for situations where the actual annual production for a farm organization was less than the total farm capacity.

B2.6.4 For a positive volume adjustment:

- a. “MV” for missing volumes which were not included in the original opening balance upload. This includes input transaction certificates issued before October 1, 2025, which the certification body did not include in the opening balance calculations. This option is only available for use until December 31, 2026.
- b. “E” for error, if corrections are needed based on a previous negative volume adjustment which was incorrectly entered as larger than it should have been.
- c. “RMDF” for reclaimed inputs, if a manual reclaimed material declaration form (RMDF) was used which was not uploaded to Trackit. This option is only applicable to collectors, concentrators, and recyclers.
- d. “OF” for organic farm inputs to Organic Content Standard (OCS) certified first processors.
- e. “GOTS” for GOTS-certified inputs where the GOTS transaction certificate was not uploaded to Trackit.
- f. “F” for farm organizations certified to the RAF standards or the RDS who produced more volume than the farm capacity provided on their scope certificate during a year.

B2.6.5 “O” for any other justification. In this case, a free text justification shall be provided (`volumeAdjJustification`).

NOTE: Some of the volume adjustment reasons identified above will no longer be available under TE-TXL-POL-203.

B2.7 If a volume adjustment results in a negative balance for any input at any time (i.e. the material ledger is overdrawn), the certification body shall investigate the reason for the negative balance and take action to correct it within seven calendar days.

EXAMPLE: A certified organization has a balance for a specific input of 100 kg in the material ledger on January 1. The organization receives an input transaction certificate for the same input with 500 kg of inputs on January 15. On February 1, the certification body uploads a volume adjustment of -150 kg effective January 1, leaving the organization with a balance of 450 kg. While the current balance is positive, the volume adjustment results in a negative balance from January 1-15 which needs to be corrected.

NOTE 1: Possible reasons for a negative balance include calculation errors by the certification body, inputs that were not included in the opening balance volume adjustment, or a transaction certificate issued before the input transaction certificate is uploaded to dTrackit.

NOTE 2: Actions to correct a negative balance may include an additional volume adjustment, or the amendment or invalidation of a transaction certificate or eTransaction.

B2.8 Volume adjustments shall be uploaded within 30 calendar days after the date of the adjustment (`volumeAdjDate`). Volume adjustments shall not be uploaded before the date of the adjustment.

B2.9 A maximum of one volume adjustment is allowed per day for each input to a certified organization.

NOTE: Typically, each organization will only have one volume adjustment per input per calendar year.

B3. Implementation of the material ledger for farms

This subsection addresses the implementation of the material ledger for RAF and RDS farm scope certificates only. Since there are no input material volumes, an estimation is made based on farm capacity as reported on the scope certificate.

B3.1 The certification body shall ensure that the farm capacity is included on scope certificate data submissions for all RAF and RDS farm scope certificates, as required by *ASR-103-V3.1 Policy for Scope Certificates* B3.2.4.

NOTE 1: The total farm capacity for a certified organization is determined as the sum of the farm capacities for the applicable raw material for all farms included on the date the scope certificate is issued, and on the anniversary date during years when a multi-year scope certificate does not expire. This amount is added to the material ledger for the organization as of the anniversary date.

NOTE 2: If the farm capacity is less than production due to higher-than-expected yields or an increase in the size of the farm group, a positive adjustment to add the additional volumes is allowed.

B3.2 Material ledger balances for farm scope certificates are maintained based on the certified material produced by the farm (e.g. greasy wool for Responsible Wool Standard (RWS)).

B3.3 Volume adjustments for farm scope certificates should be conducted within a month of the anniversary date to simplify determination of the remaining production volume for the certification year.

NOTE: A volume adjustment at the start of the certification year will typically be based on potential farm production for the year equal to the farm capacity. A volume adjustment towards the

end of the certification year will typically be based on there being no further farm production for the calendar year.

B4. Implementation of the material ledger for brands

B4.1 No volume adjustments are required for certified brands, unless the brand has obtained an outgoing transaction certificate or eTransaction during the current or previous calendar year.

NOTE 1: Material ledger balances are only visible for brands if volume adjustments are uploaded for that brand since otherwise there is no record of materials sold. Volume data about input transaction certificates and eTransactions will be made available to the brand in this situation.

NOTE 2: It is allowable to upload volume adjustments for brands who do not receive outgoing transaction certificates or eTransactions.

Section C – Alternative transaction certificate upload method

The alternative transaction upload method provides a way for GOTS transaction certificates and Textile Exchange transaction certificates which were not uploaded by the issuing certification body to be uploaded to Trackit. This method is simplified to allow for easier data ingestion when some data may be unavailable.

The alternative transaction certificate upload method is optional for use under this policy but will become mandatory and will cover additional input categories under TE-TXL-POL-203.

C1. Alternative transaction certificate upload method

- C1.1** The alternative transaction upload method may be used to add eligible inputs to Trackit.
 - C1.1.1** This method may be used by the seller's certification body named on the transaction certificate, provided that the seller's certification body is a currently licensed certification body for Textile Exchange standards.
 - C1.1.2** The buyer's certification body shall upload any transactions that have not been uploaded to Trackit by the seller's certification body prior to using them as inputs to a subsequent transaction certificate or eTransaction.
 - C1.1.3** If both the seller's and buyer's certification bodies upload the same transaction using this method, the data from the first upload ingested into Trackit shall take precedence.
- C1.2** The alternative transaction upload method may be used for the following inputs:
 - C1.2.1** GOTS-certified inputs; or
 - C1.2.2** Input transaction certificates issued to a Textile Exchange standard which were issued prior to January 1, 2024, and which were not uploaded to dTrackit by the issuing (seller's) certification body. This option may be applied by the seller's certification body (see C1.1.1) or by the buyer's certification body.

NOTE: A Textile Exchange transaction certificate issued between October 1, 2022, and December 31, 2023, may be authenticated with the issuing certification body provided that the buyer's certification body uploads the transaction certificate using the alternative transaction certificate upload method. This supersedes ASR-104-V3.1, A4.5. Textile Exchange provides a listing of how to authenticate transaction certificates from each certification body to certification bodies only.

- C1.3** The certification body shall authenticate GOTS transaction certificates according to the applicable GOTS criteria. For Textile Exchange transaction certificates, the transaction

certificate shall be authenticated with the issuing certification body and is only possible if the issuing certification body is currently licensed for at least one Textile Exchange standard.

- C1.4** When required information for an alternative transaction certificate upload is not included on the transaction certificate, the certification body shall identify this information through other means (e.g. by looking up the buyer's or seller's TE-ID). If the certification body cannot confirm all required information, uploading through this method is not possible.
- C1.5** A PDF copy of the transaction certificate shall be uploaded to dTrackit with the transaction certificate upload.
- C1.6** Each alternative transaction certificate upload shall include the following data fields that are specific to this method:
- C1.6.1** The upload type (`tcUploadType`) as either:
- a. "GOTS" for GOTS transaction certificates; or
 - b. "ATU" for transaction certificates issued to Textile Exchange standards before 2024; and
- C1.6.2** The licensing code of the certification body doing the upload (`tcUploadCb`).
- C1.7** The transaction certificate number (`tcNo`) shall be formatted starting with the identifier from the transaction certificate upload type (`tcUploadType`) (i.e. "GOTS" or "ATU") followed by the three-letter identifier for the issuing certification body then the transaction certificate number as specified on the PDF transaction certificate.

EXAMPLE: A GRS transaction certificate issued by certification body ABC in 2023 with the transaction certificate number ABC-GRS-123456 is uploaded by the buyer's certification body using the alternative transaction certificate upload method. The transaction certificate number for the upload would be ATU-ABC-GRS-123456.

NOTE: If the transaction certificate number on the PDF transaction certificate starts with the certification body's three-letter identifier, the identifier does not need to be duplicated to meet this criterion.

- C1.8** The following fields shall be included in the data submission following the criteria of ASR-104:
- C1.8.1** Transaction certificate information: `tcDateOfIssue`, `tcVersionNo`, `tcCbLicensingCode`, `tcStandard`;
- C1.8.2** Seller information: `tcSellerName`, `tcSellerAddress`, `tcSellerTeld` (if available);
- C1.8.3** Buyer information: `tcBuyerName`, `tcBuyerAddress`, `tcBuyerTeld`, `tcBuyerScNo`;

C1.8.4 Product information: tcProductNo, tcProductCategoryCode, tcProductDetailCode, tcProductCertifiedWeight; and

C1.8.5 For each raw material: tcProductRawMaterialCode, tcProductRawMaterialPercentage, tcRawMaterialStateOrProvince, tcRawMaterialCountryOrArea, tcCertifiedRawMaterialWeight.

NOTE: In some cases, the uploading certification body may need to identify codes or reformat data from the input transaction certificate to complete the upload. For example, an older transaction certificate may not include a product category and product detail but will describe the product so that a product category and product detail can be selected.

C1.9 Transaction certificates with components shall not be uploaded using the alternative transaction certificate upload method.

C1.10 All other data fields included in ASR-104 are optional for alternative transaction certificate uploads.