



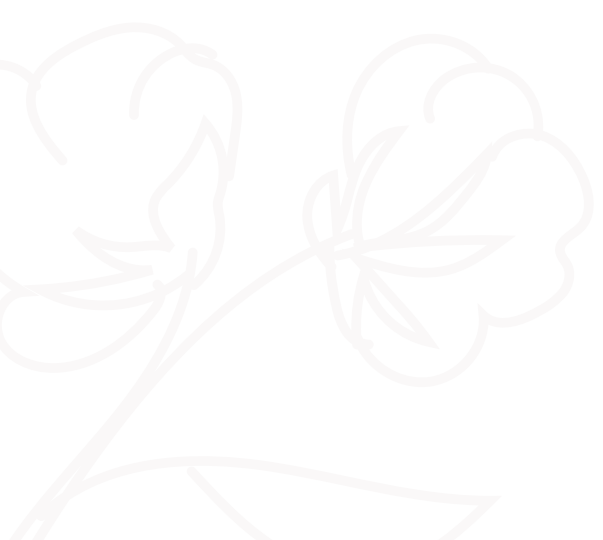
Assurance Manual for the Aid by Trade Foundation Transparency Standard

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Update History

The Aid by Trade Foundation Transparency Standard and its associated documents, including the Assurance Manual, are under the responsibility of the Aid by Trade Foundation and managed by ATAKORA Fördergesellschaft GmbH. Readers shall use the latest copy of this (and other related documents). Any discrepancies between copies, versions, or translations shall be resolved by reference to the definitive version of the requirements maintained on the websites of the Aid by Trade Foundation ([Home - Aid by Trade Foundation](#)), Cotton made in Africa® ([Home | Cotton made in Africa | CmiA](#)), and the Regenerative Cotton Standard® ([Regenerative Cotton Standard](#)).

Version number	Issue date	Amendments
Assurance Manual for the Aid by Trade Foundation Transparency Standard 1.0	2025-06-01	Initial release

Effective Date

This document is effective as of 2025-06-01, with a transition period until 2026-02-28.

Next Review

Documents within the standards system are reviewed at least every five years. The next review is expected in 2030.

Disclaimer

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Translation Accuracy

The official language of this document is English. In case of any inconsistency between versions in different languages, please refer to the English version. While translations to other languages will be provided, the Aid by Trade Foundation assumes no liability for errors or misunderstandings due to translation.

Any Questions or Concerns?

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1 How to Use this Document

The Assurance Manual serves as a comprehensive guide for ensuring adherence to the Aid by Trade Foundation Transparency Standard (AbTF Transparency Standard). This manual outlines clear guidelines for adhering to the standard and for ensuring the transparency, accountability, and the credibility of Cotton made in Africa® (CmiA), Cotton made in Africa® Organic¹ or Regenerative Cotton Standard® (RCS) materials throughout the supply chain. By establishing uniform procedures for verifying compliance, it supports stakeholders in implementing Chain of Custody (CoC) requirements effectively. The Hard Identity Preserved (HIP) implementation system guarantees full traceability from the cotton producer to the retailer, meeting the growing demand for transparency by enabling a clear connection between finished products and their origins.

1.1 Definitions

Term	Definition
Aid by Trade Foundation (AbTF)	The Aid by Trade Foundation is the owner of the CmiA and RCS raw material standards as well as of the AbTF Transparency Standard.
Aid by Trade Foundation Transparency Standard (AbTF Transparency Standard)	The AbTF Transparency Standard sets out requirements for organisations in the supply chain that are buying or selling CmiA- or RCS-verified cotton, cotton-containing products (e.g. yarns, fabrics or garments) or cotton by-products such as comber noils, treated and produced according to the Hard Identity Preserved (HIP) implementation system.
ATAKORA Fördergesellschaft GmbH (ATAKORA)	The global marketing of the Aid by Trade Foundation's brand rights is carried out by ATAKORA Fördergesellschaft GmbH, which manages licensing and partnership agreements with various stakeholders in the textile value chain.
Chain of Custody (CoC)	This system documents and verifies the path taken by a defined input material through all stages of transfer and production, up to and including the final product. The chain of custody preserves the identity of the input material.
CmiA cotton	This term includes cotton produced by CmiA-verified cotton companies and their associated small-scale farmers in accordance with the CmiA standard. For ease of reading, the term "CmiA" in this document encompasses CmiA Organic as well.
CmiA/RCS Cotton Producer (Managing Entity)	This is another term for a CmiA- or RCS-verified Managing Entity that adheres respectively to the CmiA, CmiA Organic or the RCS standards. A Managing Entity is responsible for management and production

¹ For ease of reading, references to CmiA cotton in this document encompass CmiA Organic cotton as well.

Term	Definition
	<p>activities and must be able to demonstrate that everyone working in or with its' CmiA or RCS unit operates according to the requirements of the CmiA or RCS standards. A Managing Entity is the CmiA or RCS certificate holder.</p>
<p>CmiA HIP- or RCS-claimed product</p>	<p>This is any cotton or cotton-containing product (after the cotton trader level) that is bought or sold under a CmiA HIP or RCS claim. In this document, this can refer to yarns, fabrics, garments, or comber noils.</p>
<p>Control body</p>	<p>A control body is an independent organisation responsible for verifying compliance with the AbTF Transparency Standard and its regulations. It conducts audits, assessments, and inspections to ensure adherence to the established criteria.</p>
<p>Cotton made in Africa standard ® (CmiA)</p>	<p>The Cotton made in Africa ® (CmiA) standard is a voluntary standard by AbTF which covers the most significant sustainability aspects of cotton cultivation and ginning. The CmiA standard applies to Managing Entities – usually cotton companies with one or more ginning facilities – operating in Africa South of the Sahara with a direct link to small-scale farmers. A Managing Entity must be able to demonstrate that its CmiA unit operates according to the requirements of the CmiA standard.</p>
<p>Digital Transaction Document (DTD)</p>	<p>This is a digital document automatically created for orders that were produced under the HIP implementation system and that have been fully tracked through an acknowledged tracking system.</p>
<p>DTD desktop audit</p>	<p>This is a remote audit based on a review of submitted Digital Transaction Documents (DTDs) and of related data in tracking systems. It assesses compliance with the AbTF Transparency Standard through documentation analysis, without visiting the site.</p>
<p>Hard Identity Preserved (HIP)</p>	<p>The Hard Identity Preserved (HIP) system is a content claim system. Within this system, it is not allowed to mix CmiA/RCS cotton with any other cotton at any stage of production. Blending or mixing with other organic or recycled cotton verified under a different standard (e.g. the Organic Content Standard or the Recycled Claim Standard) is only possible under some conditions.</p>
<p>HIP onboarding audit</p>	<p>As an initial review process during CmiA HIP or RCS registration this audit is conducted to verify that new entities meet all required HIP standards and documentation criteria before they begin participating fully in the HIP supply chain.</p>
<p>HIP self-declaration</p>	<p>This initial process during CmiA HIP or RCS registration evaluates compliance with the AbTF Transparency Standard, implementation guidelines, and further operational requirements by providing a structured set of questions to be answered. This self-evaluation helps identify compliance status, areas of improvement, and readiness for external audits.</p>

Term	Definition
RCS cotton	This is cotton produced by RCS-verified Managing Entities and their associated small-scale farmers in accordance with the RCS standard.
Regenerative Cotton Standard® (RCS)	The Regenerative Cotton Standard® (RCS) is a voluntary standard developed by AbTF for cotton produced through regenerative farming methods. An RCS Managing Entity must be able to demonstrate that its RCS unit operates according to the requirements of the RCS standard. To avoid any confusion with other standards (such as the Recycled Claim Standard) it is recommended to clearly state “Regenerative Cotton Standard” on all relevant documents.
Retailer or brand	A retailer is a person or business that sells goods to the public for use or consumption rather than for resale (i.e. business-to-consumer or B2C). In this context, the term “brand” meets the same definition.
Supply chain organisation	This term refers to a legal entity registered with CmiA or RCS according to the applicable registration guidelines. A supply chain organisation treats, trades, or sources CmiA/RCS cotton or CmiA/RCS-claimed materials or products (e.g. comber noils, yarns, fabrics, or garments), operating out of one or more business locations. For ease of reading, this document also refers to supply chain organisations as simply an “organisation”.
Tracking system or Sustainable Cotton Tracker (SCOT)	AbTF provides tracking systems to track the volumes of procured CmiA or RCS cotton throughout the supply chains. Their use is mandatory for all members of the CmiA/RCS supply chain who are producing ² or trading CmiA/RCS cotton or CmiA/RCS-claimed products (e.g. comber noils, yarns, fabrics, or garments). Apart from its own systems (e.g. SCOT), AbTF may use approved systems of external service providers.
On-site audit	This is a physical, risk-based audit conducted at the facility to verify implementation of the AbTF Transparency Standard’s requirements. It includes staff interviews, direct observation of production processes, and document checks.

² For cotton-producing entities (CmiA/RCS cotton producers), use of the tracking systems will be mandatory from 2026 onwards.

1.2 Verbal Forms for the Expression of Provisions³

In this document the following terms are used to indicate requirements, recommendations, permissions, and possibilities or capabilities:

Verbal form	Meaning
shall or shall not	These verbal forms are used to indicate requirements that must be strictly followed in order to conform to the document and from which no deviation is permitted.
should or should not	These verbal forms are used to indicate that, among several possibilities, one is recommended as particularly suitable, without mentioning or excluding others, or that a certain course of action is preferred but not necessarily required, or that (in the negative form) a certain possibility or course of action is deprecated but not prohibited.
may or may not	These verbal forms are used to indicate a course of action permissible (or, in the negative form, impermissible) within the scope of the document.
can or cannot	These verbal forms are used for statements of possibility and capability, whether material, physical, or causal.

1.3 Legal Compliance

The AbTF Transparency Standard, the Assurance Manual, and other standard-related documents do not address product quality or legal compliance criteria. Organisations adhering to the standard are expected to comply with all relevant local, national, and international laws and regulations and are responsible for ensuring their own legal compliance.

It is expected that no organisation registered with CmiA or RCS violate fundamental human rights as afforded by customary international law. Should such practices come to the attention of the Aid by Trade Foundation or ATAKORA, they have the authority to exclude the offending organisations from current and future registration.

³ See “ISO/IEC Directives Part 2: Rules for the structure and drafting of International Standards” https://boss.cen.eu/media/yypjl3mn/iso_iec_directives_part2.pdf. Copyright 2011 by ISO/IEC.

1.4 Supporting Documents

Below are links to documents related to the AbTF Transparency Standard as well as other relevant documents that offer detailed guidance and resources to support compliance with and the implementation of the standard:

Document	Link
Aid by Trade Foundation Transparency Standard	https://cottonmadeinafrica.org/wp-content/uploads/AbTF_TransparencyStandard_Version1_6.2025.pdf
Cotton made in Africa ® standard	https://cottonmadeinafrica.org/wp-content/uploads/CMIA_Standard_ENG.pdf
Cotton made in Africa Organic	https://cottonmadeinafrica.org/wp-content/uploads/CmiA-Organic_Cmpl-Requirements-CmiA-Vol4_V1_EN.pdf
Regenerative Cotton Standard ® standard	https://regenerative-cotton.org/wp-content/uploads/Regenerative_Cotton_Standard_0.0-2.pdf
CmiA Registration Guidelines	https://cottonmadeinafrica.org/en/become-a-partner/
RCS Registration Guidelines	To be published
CmiA Chain of Custody Guidelines	https://cottonmadeinafrica.org/wp-content/uploads/CmiA-Chain-of-Custody-Guidelines.pdf
CmiA Mass Balance Implementation	https://cottonmadeinafrica.org/wp-content/uploads/CmiA_MassBalance_Implementation.pdf
SCOT User Manual	https://scot.cottonmadeinafrica.org/help-docs/ctindex
Document for HIP Onboarding audits	https://cottonmadeinafrica.org/wp-content/uploads/Onboarding-Audit-for-HIP-Spinning-Mills.pdf
Document for Self declarations	To be published

2 Introduction

2.1 About the Aid by Trade Foundation

Cotton made in Africa® (CmiA)⁴ and the Regenerative Cotton Standard® (RCS) are two internationally renowned standards for sustainable raw materials. Whereas Cotton made in Africa® has been one of the world's leading standards for sustainably produced and traceable cotton since 2005, focussing on small-scale farming in Africa South of the Sahara, the Regenerative Cotton Standard® was established only recently, in 2023, with the objective of improving the overall resilience of farming communities while adding value to farmland, rural communities, the biosphere, and the quality of life of farm animals.

CmiA and RCS are owned and implemented by the Aid by Trade Foundation (AbTF), an internationally recognised non-profit organisation transforming fibre and textile production through its cotton and cashmere sustainability standards. Following a value-to-business approach, AbTF's goal is to accelerate nature restoration and socioeconomic justice for farming communities by activating market forces and investing in innovative farming as well as supply chain tools. The foundation works with a wide-ranging network of partners in cotton-growing and textile production countries as well as with experts from governmental and non-governmental organisations and the private sector.

ATAKORA Fördergesellschaft GmbH (ATAKORA) is responsible for the marketing and supply chain management of AbTF standards. It acts as the contracting partner at each level of the supply chain. By maintaining licensing contracts with several international retail and brand partners, the Aid by Trade Foundation and its marketing company, ATAKORA, are working to increase demand for CmiA- and RCS-verified cotton.

The Aid by Trade Foundation Transparency Standard is the key framework that connects Cotton Producers — verified in accordance with the latest version of the CmiA standard⁵ or the RCS standard⁶ — with retailers or brands demanding sustainably grown cotton with a traceable supply chain. The AbTF Transparency Standard sets out monitorable requirements for organisations in the supply chain that are buying or selling CmiA- or RCS-verified cotton, cotton-containing products (e.g. yarns, fabrics, or garments), or cotton by-products such as comber noils that were treated and produced according to the Hard Identity Preserved (HIP) implementation system.

Supply chain organisations and retailers/brands can make the respective HIP claims for eligible products if they adhere to the requirements of the AbTF Transparency Standard and the claims framework for CmiA or RCS, as applicable.

2.2 Objectives and Purpose of the Assurance Manual

The assurance system is essential for upholding the **Aid by Trade Foundation (AbTF) Transparency Standard** and for ensuring credibility, consistency, and compliance throughout the supply chain. Its key objectives are as follows:

- **Safeguarding credibility:** It reinforces the integrity of certified materials and claims associated with CmiA and RCS.

⁴ For ease of reading, the term "CmiA" in this document encompasses CmiA Organic as well.

⁵ <https://cottonmadeinafrica.org/en/principles-and-criteria/>

⁶ <https://regenerative-cotton.org/en/home/>

- **Transparency and control:** It establishes clear assurance procedures for control bodies and supply chain organisations.
- **Effective implementation and continuous improvement:** It supports organisations in meeting chain of custody (CoC) requirements and encourages corrective action, feedback loops, and long-term learning across all levels of the supply chain.
- **Robust auditing:** It protects supply chain integrity through reliable audit processes.
- **Enhancing stakeholder trust:** It demonstrates measurable assurance efforts, supports reliable claims, and facilitates responsible sourcing.

By maintaining rigorous assurance procedures, the system reinforces **transparency, accountability, and continuous improvement** throughout the supply chain.

2.3 Scope of Application

This manual applies to all entities involved in the production, processing, treatment, trading, and retail of CmiA/RCS materials or products. It defines the responsibilities and procedures for ensuring compliance with the AbTF Transparency Standard throughout the supply chain, from Cotton Producers to retailers and brands, including the following stakeholders:

- **Aid by Trade Foundation (AbTF) and ATAORA:** These organisations oversee partnerships, capacity building, and stakeholder alignment through and with the AbTF Transparency Standard.
- **CmiA/RCS Cotton Producers (Managing Entities):** Each of these verified entities is responsible for overseeing management and production under, and for ensuring compliance with, the CmiA, CmiA Organic, or RCS standards while maintaining the corresponding certificate (i.e. for CmiA, CmiA Organic, or RCS).
- **Other supply chain organisations:** These entities are registered with CmiA/RCS and are involved in trading, sourcing, processing, or treating materials while ensuring traceability through and compliance with the AbTF Transparency Standard.
- **Retailers and brands:** These final-stage stakeholders ensure accurate marketing and sales claims in line with the AbTF Transparency Standard and the applicable claims framework.
- **Control bodies and auditors:** These are independent entities that verify compliance with the AbTF Transparency Standard at all supply chain levels.

2.4 Target Audience

This manual is designed for the following groups:

- Auditors verifying compliance with the AbTF Transparency Standard
- Supply chain organisations implementing transparency measures in accordance with the AbTF Transparency Standard
- Retailers or brands ensuring that product claims and labelling comply with the AbTF Transparency Standard

2.5 Key Roles and Responsibilities in Standard Implementation

This section outlines the core responsibilities of the main actors involved in implementing and maintaining the AbTF Transparency Standard. Each party plays a distinct role in ensuring traceability, compliance, and trust within the supply chain.

Key roles	Responsibilities
Aid by Trade Foundation and ATAKORA	<ul style="list-style-type: none"> • Develop and update the AbTF Transparency Standard and all related documents • Provide tools and systems for traceability and data management • Oversee accredited control bodies and co-ordinate the consistent application of the AbTF Transparency Standard
Control bodies (auditors)	<ul style="list-style-type: none"> • Conduct independent, regular audits to verify compliance with the CoC requirements of the AbTF Transparency Standard • Report findings and audit results, including recommendations for corrective actions and sanctions, to AbTF and relevant stakeholders • Ensure impartiality and apply audit methodologies consistently
Supply chain organisations (processing facilities, e.g. spinning mills)	<ul style="list-style-type: none"> • Implement internal management systems to ensure traceability and compliance with the AbTF Transparency Standard • Maintain accurate records of inputs, processes, and outputs • Co-operate fully with auditors and provide access to all required information, documents, and any applicable production sites

3 Assurance Framework

The assurance framework establishes the core principles and audit processes necessary to ensure compliance with the AbTF Transparency Standard for CmiA and RCS raw materials processed according to the Hard Identity Preserved (HIP) implementation system. It employs a structured, risk-based approach to prioritise monitoring and auditing efforts in areas with higher risks, thereby ensuring that potential instances of non-compliance are addressed effectively.

By focussing on high-risk organisations and transactions, the framework mitigates potential challenges while safeguarding the integrity and traceability of verified materials through independent audits and transparent reporting. Clear roles and rigorous evaluation criteria further support accountability throughout the supply chain.

3.1 Principles of Assurance

The assurance framework is built on a set of core principles that guide the implementation of audits and compliance activities under the AbTF Transparency Standard. These principles define how assurance is applied to ensure credibility, traceability, and impartiality in the oversight of CmiA and RCS materials processed under the Hard Identity Preserved (HIP) implementation system.

Principle	Definition
Independence	<ul style="list-style-type: none"> • Audits and compliance checks are conducted by accredited third-party control bodies to ensure impartiality and credibility. • The regular rotation of auditors reduces potential conflicts of interest and enhances objectivity.

Principle	Definition
Transparency	<ul style="list-style-type: none"> Audit procedures, findings, and corrective actions are clearly documented and accessible to relevant stakeholders, promoting accountability and informed decision-making.
Risk-based methodology	<ul style="list-style-type: none"> Assurance efforts are prioritised based on identified risks, such as non-compliance history, regional vulnerabilities, or supply chain complexity. High-risk actors are subject to more frequent or intensive audits.
Fraud prevention	<ul style="list-style-type: none"> Targeted measures, including unannounced audits and anomaly detection, are employed to proactively identify and mitigate potential fraud or misrepresentation.

These principles ensure that the assurance system is robust, fair, and responsive to evolving risks, helping to maintain the integrity of the entire supply chain from cotton producer to retailer.

3.2 Governance of Assurance and Accreditation of Control Bodies

The integrity of the assurance framework relies on strong governance and oversight mechanisms. The Aid by Trade Foundation and ATAORA manage the implementation of the framework and ensure that independent control bodies meet high standards of competence and impartiality.

- **Aid by Trade Foundation and ATAORA:** In addition to managing the accreditation, onboarding, and oversight of control bodies, these organisations also maintain tools and tracking systems for transparency, traceability, and risk analysis. Training and guidance materials are provided to support stakeholders throughout the supply chain.
- **Control bodies:** These operate independently and are accredited under ISO 17065 or an equivalent certification scheme. Audits are conducted to assess compliance with Chain of Custody and other AbTF Transparency Standard requirements. Audits are carried out impartially and based on approved protocols. Control bodies undergo regular performance reviews by Aid by Trade Foundation or ATAORA to verify methodological integrity and ethical conduct.

3.3 Quality Assurance Processes

The assurance framework defines a structured approach to evaluating and verifying compliance with the AbTF Transparency Standard.

	Audit type	Reason for the audit	Audit frequency
Mandatory audits	DTD desktop audits	Risk-based review of random samples of at least one (1) of a retailer's tracked CmiA HIP or RCS garment orders to ensure thorough compliance with the standard	Regularly throughout a retailer's contract year

	Audit type	Reason for the audit	Audit frequency
Additional verification activities (risk based)	<i>On-site audits</i>	<i>Triggered by risks, anomalies, or complaints, target high-risk areas</i>	<i>Risk based</i>

The HIP onboarding audits for spinning mills and the self-declarations of all supply chain organisations, undertaken as part of the registration process, are a prerequisite for participation and therefore fall outside the scope of the Assurance Manual.

4 Monitoring and Auditing

This chapter outlines the framework for monitoring and auditing compliance with the AbTF Transparency Standard for CmiA HIP- and RCS- claimed materials or products. Desktop audits form the mandatory foundation, while other measures, such as physical inspections, are risk based and used as needed to complement the system.

4.1 Mandatory Audit: Desktop Audits

Desktop audits are the primary tool for compliance monitoring, focussing on reviewing documentation and data consistency to identify risks. These off-site evaluations by a third-party control body assess an organisation’s compliance with the standard’s criteria and regulations. They involve document and data reviews, tracking systems, and any necessary virtual meetings.

These audits take place over one (1) contract year of a retailer’s licensing agreement, based on a sampling distribution of one (1) percent, and serve as the main method for ensuring compliance of the retailer’s supply chain with the AbTF Transparency Standard. During a desktop audit, one (1) percent of the retailer’s Digital Transaction Documents (DTDs) — automatically created digital documents for orders that were produced under the HIP implementation system and that have been fully tracked in an acknowledged tracking system — are audited. A DTD desktop audit includes each processing step in the supply chain for the production of a selected CmiA HIP or RCS order of the retailer.

4.1.1 Sample Selection Criteria

During the course of one (1) contract year, at least one (1) percent of a retailer’s tracked CmiA HIP/RCS orders are randomly selected by the control body on the basis of self-declarations made by CmiA HIP/RCS-registered supply chain organisations and of a risk-assessment algorithm developed by a third-party audit company for desktop audits. The risk-based algorithm considers the following:

- **Geographical factors:** Priority is given to regions known for systemic risks, such as limited regulatory oversight, high corruption levels, or prevalent labour violations.
- **Size and scale:** Organisations are prioritised if they have larger production volumes or significant influence on the overall supply chain.
- **Historical performance:** Organisations with documented complaints, compliance concerns, or a history of non-compliance in past audits are frequently selected.

- **Process complexity:** There is a focus on supply chains with more complex or high-risk processes that are more susceptible to non-compliance.
- **Assigned risk level:** Higher-risk organisations are prioritised, for instance if specific production sites (e.g. spinning mills or dyeing units) or geographical regions have been identified as displaying elevated risk factors.
- **New entrants:** Attention is given to newly added locations or facilities that have not yet undergone thorough evaluations.

4.1.2 The DTD Desktop Audit – A Step-by-Step Guide for Control Bodies

This guide outlines a step-by-step approach for auditors to conduct DTD desktop audits.



Figure 1: Desktop audit step-by-step guide for control bodies (auditors)

Phase	Step	Instructions for auditors
Phase 1	Preparation	<p>Objective: A seamless and effective audit process should be ensured for all involved supply chain organisations and the control body.</p> <ul style="list-style-type: none"> • Audit announcement. Inform the organisation about the selected order(s) and provide details regarding the audit process. • Technical readiness. Ensure that tracking systems are accessible and fully functional. • Provide a checklist. Supply a list of documents and data required. • Set deadlines. Establish clear timelines for submission of the requested documents in accordance with applicable regulations (see chapter 5).
Phase 2	Collection of necessary documents	<p>Objective: Only essential documents should be reviewed. This includes documents directly related to the audited order, documents ensuring alignment with HIP implementation requirements, and transaction data recorded in the tracking system.</p>

Phase	Step	Instructions for auditors
<p style="text-align: center;"><u>Purchase and Delivery Records</u></p> <ul style="list-style-type: none"> • These include contracts, invoices, and delivery notes specifically related to the claimed materials used in the audited order. • Purpose: Validate the origin and quantity of claimed materials procured for the order. <p style="text-align: center;"><u>Production Records</u></p> <ul style="list-style-type: none"> • These are reports detailing inputs and outputs specific to the selected order, including <ul style="list-style-type: none"> - input materials used (e.g. yarn or fabric); and - conversion rates and wastage related to this order. • Purpose: Verify compliance with traceability requirements during production. <p style="text-align: center;"><u>Sales and Delivery Records</u></p> <ul style="list-style-type: none"> • These records include invoices, delivery notes, and confirmations for the claimed materials sold as part of the audited order. • Purpose: Ensure the final claimed product volumes and claims align with claimed material inputs. <p style="text-align: center;"><u>Outsourcing Documentation (as applicable)</u></p> <ul style="list-style-type: none"> • This includes contracts, delivery notes, and reports for outsourced processes directly linked to the audited order. • Purpose: Confirm traceability and compliance for outsourced activities. <p style="text-align: center;"><u>Optional</u></p> <ul style="list-style-type: none"> • <i>Review previous audits for insights into recurring issues or unresolved findings related to the audited order.</i> 		
<p>Phase 3</p>	<p>Audit execution and classification of non-compliances</p>	<p>Objective: A verification is conducted to ensure that all records, documents, and processes related to the selected order meet the standard’s requirements. Compliance is verified through detailed document reviews and anomaly detection using the respective tracking system as the central platform.</p> <p style="text-align: center;"><u>Review Document and Data Consistency</u></p> <p>Follow these steps to ensure the completeness, accuracy, and compliance of records related to the selected order:</p> <ul style="list-style-type: none"> • Document consistency check. Cross-verify procurement, production, and sales documents (refer to “Phase 2” in this table

Phase	Step	Instructions for auditors
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for document selection guidelines) to ensure traceable material flows in the DTD.

- **Data consistency check.** Verify whether related documents (e.g. production reports or purchase and sales documents) align with the transaction data listed in the tracking system. This helps to verify if the physical and digital records are in sync, accurate, and traceable.
- **Identification of anomalies, non-compliance, and risks.** Identify specific compliance risks, including the following:
 - **Material mixing.** Investigate whether segregation rules have been followed and whether claimed material has been mixed with non-claimed material.
 - **Overreported volumes.** Detect discrepancies where claimed material quantities exceed plausible input-output ratios, ensuring that reported volumes align with the actual volume of material handled.
 - **Transaction gaps.** Flag missing, incomplete, or inconsistent documentation and cross-check with supply chain data to verify accuracy.

Further details are outlined below, in [chapter 4.1.3](#).

Analysis of Compliance Areas

Conduct a thorough review of the following compliance areas to ensure adherence to standards:

- **Inventory reconciliation.** Verify that raw material inputs match finished product outputs for the selected order. Cross-check with tracking data to detect discrepancies.
- **Certification records.** Ensure that certification claims and product labelling for the order meet the standard's requirements.
- **Outsourced processes.** Confirm traceability and compliance for subcontracted activities related to the order.

Classification of Non-compliance

According to the relevant regulations (see [chapter 5.2](#)), incidences of non-compliance are divided into two categories:

- **Major non-compliance.** These infringements cannot be corrected and automatically result in a failed audit.
- **Minor non-compliance.** These are compliance breaches that can be corrected within the specified time frame or that cannot be corrected but are deemed acceptable.

Phase	Step	Instructions for auditors
		<p>An optional step for phase 3, if required, is that facilities in physical possession of claimed materials <u>may</u> be inspected via a live video stream during a remote audit. This includes a full video tour of the facility, which may be conducted by a video call.</p>
<p>Phase 4</p>	<p>Reporting</p>	<p>Objective: Upon completion of the audit process, a comprehensive yet actionable summary of findings must be provided to AbTF/ATAKORA and the audited entity.</p> <p><u>Summarise Key Findings</u></p> <p>Provide a structured overview of audit results that includes the following:</p> <ul style="list-style-type: none"> • Reviewed records. Clearly list the reviewed documents and data categories (e.g. purchase records, inventory logs, and production reports). • Identified non-compliance. Highlight any irregularities in records or processes, such as inconsistencies in transaction data or mismatches in input–output reconciliation. • High-risk areas: Identify compliance risks, including improper material segregation, gaps in documentation, or overreported certified volumes. • Any additional verification steps. <i>If supplementary verification measures, such as a video stream, were conducted, include the following details:</i> <ul style="list-style-type: none"> - <i>Areas assessed (e.g. inventory storage, production lines, material segregation)</i> - <i>Specific observations and confirmations made during the live video stream</i>
<p>Phase 5</p>	<p>Review process & follow-up actions</p>	<p>Objective: This phase focusses on actionable recommendations and engagement with the audited organisation after audit findings are delivered.</p> <p><u>Documentation Corrections</u></p> <ul style="list-style-type: none"> • Emphasise the importance of maintaining clear and consistent records and data for traceability. <p><u>Presenting the Findings</u></p> <ul style="list-style-type: none"> • Clear communication. Deliver findings using simple and direct language to ensure understanding. • Encourage engagement. Provide opportunities for the audited organisation to seek clarifications or ask questions about the audit results. • Next steps. Establish a clear path for addressing findings and achieving compliance.

4.1.3 Audit Execution: Approval or Refusal of a DTD

During a desktop audit, the submitted Digital Transaction Document (DTD) and all included transactions of claimed materials undergo a structured evaluation to ensure accuracy, consistency, and compliance with the AbTF Transparency Standard. This assessment determines whether the DTD is approved or rejected, based on predefined criteria. A DTD desktop audit will include each processing step in the supply chain for the production of the selected RCS/CmiA HIP order of a retailer.

Only if all related transactions of the claimed materials (meaning each supply-chain processing step relevant to a retailer's order) **comply with the criteria of the AbTF Transparency Standard will a DTD be approved.** These criteria include the following:

Criteria	Details
Consistency of documents at the same level	For the audit process, the most recent and valid versions of documents are used and submitted within the appropriate time frame. Cross-checks of transaction details (e.g. volumes, dates, and parties involved) confirm that all submitted documents at a given supply-chain level are complete, accurate, and internally consistent and that no inconsistencies or illogical entries that might indicate errors or fraudulent information have been detected.
Consistency with documents at other levels	This criterion confirms that documents provided at one level of the supply chain correspond with records submitted by upstream or downstream actors and that no discrepancies between documents (e.g. volume mismatches or date misalignments) have been detected.
Consistency of documents with digital tools	It is confirmed that all submitted documents align with data recorded in the digital tracking systems.
Anomalies, non-compliance, and risks	During DTD desktop audits, no anomalies or uncorrectable compliance breaches were observed.

Any detection of minor or major non-compliance will lead to escalations and sanctions as outlined in [chapter 5](#).

4.2 Risk Based Audits: On-Site Audits

Risk-based, on-site audits are an additional tool for compliance monitoring, complementing standard DTD desktop audits. They focus on detecting potential risks at an early stage, validating operational practices, and ensuring the continuous integrity and reliability of the supply chain under the AbTF Transparency Standard.

These on-site evaluations are conducted by nominated control bodies and are triggered by the identification of risks, anomalies, or complaints. They involve physical inspections, document and data reviews, process validations, and any necessary interviews with key personnel.

While desktop audits primarily assess compliance based on documentation and data consistency, on-site audits extend the verification process by incorporating physical assessments and sample-based controls. This approach helps to validate the accuracy of reported information and uncover any systemic weaknesses that may not be evident through remote evaluations.

Risk-based on-site audits are carried out during the contract year of a retailer's licensing agreement and are based on specific selection criteria linked to risk indicators. The following sections describe the methodologies, sampling process, and follow-up actions required to address detected incidences of non-compliance effectively

4.2.1 Sample Selection Criteria

The scope and depth of a risk-based on-site audit are defined individually based on the type, severity, and potential impact of the triggering issue. These audits are not bound by predefined sample sizes, as they are initiated in response to specific risks, anomalies, or complaints. Instead, the audit focusses on the most relevant supply chain actors, facilities, transactions, or processing steps linked to the concern. Depending on the case, this may include a full on-site inspection of a single facility, a focussed review of certain documents or processes, or interviews with selected staff members. The selection of audit subjects is guided by risk assessment criteria and aims to ensure a targeted and proportionate verification approach.

Risk indicators or thresholds may be identified during DTD desktop audits or arise independently and can include the following:

- **Transaction anomalies:** These include unusual patterns in Digital Transaction Documents (e.g. volume discrepancies, untracked links between supply chain stages, or duplicate claims).
- **Previous non-compliance:** A history of major or unresolved findings from earlier audits or failed corrective actions may be considered relevant.
- **Complaints:** Credible reports from whistleblowers, supply chain partners, or end users about potential breaches of the AbTF Transparency Standard fall into this category.
- **Outlier behaviour:** An example would be a facility consistently reporting an unusually high certified output compared to its certified input or to peer benchmarks.
- **Incomplete traceability:** Gaps or missing links in the tracking system can compromise the integrity of the chain of custody.
- **Sudden operational changes:** This might include new subcontractors or processing facilities being added without proper notification or validation.

These indicators form the **audit trigger**, and they define both the necessity and urgency of initiating a risk-based on-site audit.

4.2.2 On-Site Audits: A Step-by-Step Guide for Control Bodies

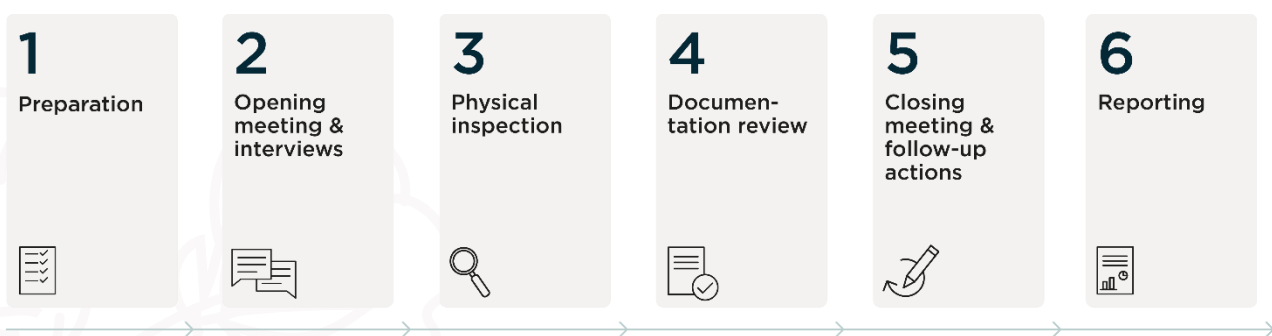


Figure 2: On-site audit step-by-step guide for control bodies (auditors)

Phase	Step	Instruction for auditors
Phase 1	Preparation	<p>Objective: A seamless and effective audit process for all involved supply chain organisations and the control body should be ensured.</p> <ul style="list-style-type: none"> • Audit announcement. Inform the organisation of the audit’s purpose and of the triggering reason (e.g. risk, anomaly, or complaint), and provide details regarding the audit process. • Provide a checklist. Supply a list of facility locations (e.g. a warehouse or waste storage area) to be visited and of required documents and data to be provided. • Set deadlines. Establish clear timelines for submitting the requested information and documents.
Phase 2	Opening meeting & interviews	<p>Objective: The audit purpose, scope, and expected outcomes should be introduced to key personnel.</p> <ul style="list-style-type: none"> • Conduct the opening meeting in line with ISO 19011 guidelines. • Present the purpose, scope, and expected outcomes of the audit to relevant personnel. • Discuss recent operational or supply chain changes, and any relevant findings from previous audits. • Interview key staff to evaluate their awareness of and compliance with the AbTF Transparency Standard.
Phase 3	Physical inspection	<p>Objective: Compliance with the AbTF Transparency Standard must be verified through on-site assessments. The key focus areas include:</p> <p><u>Inventory Verification</u></p> <ul style="list-style-type: none"> • Inspect raw materials (e.g. CmiA or RCS cotton) and finished goods in storage. Cross-check with inventory records to confirm consistency. <p><u>Waste and By-Product Assessment</u></p> <ul style="list-style-type: none"> • Evaluate management practices for production waste and by-products. Confirm that the standard’s requirements for record keeping and responsible handling are being met. <p><u>Production Process Validation</u></p> <ul style="list-style-type: none"> • Observe key production processes (e.g. spinning, weaving, or garment-making). Ensure that the proper practices are in place for handling, segregating, and labelling the material.

Phase	Step	Instruction for auditors
<p style="text-align: center;"><u>Material Segregation</u></p> <ul style="list-style-type: none"> • Check that certified and non-certified materials are physically and clearly separated through means such as labelling, designated storage, or dedicated equipment. <p style="text-align: center;"><u>Outsourced and Rejected Products</u></p> <ul style="list-style-type: none"> • Review documentation related to outsourcing and product rejections. Confirm the traceability of materials sent off site or returned to suppliers. 		
<p>Phase 4</p>	<p>Documen- tation review</p>	<p>Objective: Consistency between physical and documented records should be ensured. Key steps in the review process include the following:</p> <ul style="list-style-type: none"> • Review procurement, production, and outsourcing records relevant to the audited order or process. • Conduct input–output reconciliation and assess the accuracy of certification claims. • Confirm compliance with traceability and labelling requirements throughout the observed processes.
<p>Phase 5</p>	<p>Closing meeting & follow-up actions</p>	<p>Objective: Audit results should be communicated clearly, and the next steps for the organisation should be defined. This process should include the following steps:</p> <ul style="list-style-type: none"> • Present audit findings, highlighting both strengths and areas for improvement. • Discuss identified incidences of non-compliance, risks, or anomalies, and propose corrective actions. • Provide clear timelines and expectations for follow-up, in line with outlined procedures (see chapter 5). • Recommend the implementation of monitoring systems to track the progress of corrective actions. • Reassess the organisation’s risk profile and adjust the frequency or scope of future audits as necessary.

Phase	Step	Instruction for auditors
Phase 6	Reporting	<p>Objective: Upon completion of the audit process, a comprehensive yet actionable summary of findings must be provided to AbTF/ATAKORA and the audited entity.</p> <ul style="list-style-type: none"> • Compile findings: Summarise key observations, including facility inspections, interviews, document review results, and identified incidences of non-compliance. • Risk evaluation: Assess and document potential risks based on the findings, especially regarding traceability gaps, material segregation issues, or certification misuse. • Photographic evidence: If applicable, include photos to document relevant findings from the site visit (e.g. issues with labelling or with the storage conditions of materials). • Audit outcome: Clearly classify the audit result based on predefined compliance criteria (see chapter 5).

4.2.3 Audit Execution: Evaluation Outcome and Consequences of an On-Site Audit

During a risk-based on-site audit, the audited facility and all related operations are assessed to verify their compliance with the AbTF Transparency Standard. The evaluation includes the review of physical processes, documentation, and interviews and is guided by the audit scope, which is defined by the identified risk. Based on this assessment, the audit will result in either a positive (compliant) or negative (non-compliant) outcome. A positive outcome confirms that the facility meets the AbTF Transparency Standard’s requirements whereas **a negative result may lead to sanctions or further measures in line with [chapter 5](#)**.

The audit includes assessment against the following key criteria:

Criteria	Details
Physical consistency	Physical observations (e.g. material volumes, segregation, and labelling) must match the corresponding records and claims. No mismatches or irregularities regarding materials in storage, production, or waste management should be observable.
Operational traceability	Each step in the processing of claimed materials (e.g. spinning, weaving, or garment production) must be traceable and segregated. Certified materials must not be mixed with uncertified ones at any point.
Inventory and process validation	The auditor confirms that actual inventory volumes, input–output ratios, and production flows align with figures reported in the tracking system and supporting documents.

Criteria	Details
Documentation accuracy	Facility-provided documents (e.g. records of purchases, production, sales, or outsourcing) must be complete, valid, and consistent with previous audit data and digital tracking records.
Staff competence and comprehension	Personnel must demonstrate adequate awareness of the standard's requirements (e.g. separate handling, documentation processes, and subcontracting procedures) and provide evidence of their proper implementation.
Anomalies and risks	No uncorrectable risks or compliance breaches (e.g. fraud, falsification, or deliberate mislabelling) may be detected during the on-site inspection or interviews.

5 Escalation and Sanctions for Non-Compliance

5.1 Scope and Responsibilities

This chapter outlines the procedures for identifying, classifying, and addressing incidences of non-compliance within the supply chain stages covered by the AbTF Transparency Standard, namely the production, treatment, and trading of cotton, comber noils, yarns, fabrics, and garments. These procedures apply to the following two types of audits:

- **Mandatory DTD desktop audits**
- **Risk-based on-site audits**

Responsibilities of the Control Body

- **Detecting and classifying incidences of non-compliance** during both desktop and on-site audits
- **Documenting all findings**—including anomalies, minor and major non-compliance, and systemic risks—in accordance with defined procedures
- **Recommending corrective actions** and applicable sanctions based on the severity of non-compliance
- **Making the final decision** on whether a DTD is approved or refused based on audit findings
- **Escalating unresolved or repeated compliance breaches** to the Aid by Trade Foundation or ATAKORA for final sanctioning decisions
- **Flagging supply chain actors** for increased audit frequency as necessary

Decisions to be Made by the Control Body

- For DTD desktop audits:
 - Whether each transaction is compliant or non-compliant with the AbTF Transparency Standard
 - Whether the complete DTD is approved or refused
- For on-site audits:
 - Whether each observed production process is compliant or non-compliant with the AbTF Transparency Standard

Responsibilities of the Aid by Trade Foundation and ATAORA

The **Aid by Trade Foundation** and **ATAORA** serve as the **final decision-making authorities** for sanctions and escalations. Specifically, they are responsible for the following:

- **Reviewing and validating audit findings** submitted by a control body
- **Monitoring systemic non-compliance risks** across the entire supply chain
- **Managing all communication and co-ordination** with the control body and affected supply chain organisations

Decisions to be Made by the Aid by Trade Foundation or ATAORA

- **Deciding on enforcement measures**, including the following:
 - Temporary suspension of entities from participating in the CmiA/RCS chain of custody system
 - Permanent exclusion in cases of severe or repeated violations
- **Ensuring follow-up actions** are implemented and corrective measures are tracked effectively

5.2 Classification of Non-Compliance

Understanding the classification of compliance breaches is crucial for implementing effective corrective actions. Incidences of non-compliance are divided into two main categories based on their severity and potential impact on the supply chain; these categories **apply to both DTD desktop audits and on-site audits**.

5.2.1 Major Non-Compliance

Definition: Major compliance breaches are significant deviations from the AbTF Transparency Standard that jeopardise key principles such as traceability, segregation, or transparency. This level of non-compliance typically indicates severe risks to the integrity of the supply chain and cannot be corrected within a reasonable time frame. As such, these infringements require immediate and decisive action to preserve the credibility of the standard.

Sanctions: Transactions and processes associated with major non-compliance require immediate action and are addressed without delay in order to maintain the integrity of the supply chain. This results in the immediate refusal of DTD transactions and therefore in the final refusal of the overall DTD. In on-site audits, these findings trigger **urgent corrective measures and, potentially, a suspension or exclusion** from the system.

Examples: Major non-compliance might include the absence of critical documentation, a failure to segregate materials appropriately, the submission of falsified documents, and systemic operational failures.

Major non-compliance might include, but is not limited to below examples:

1. Significant discrepancy in quantity

During a risk-based on-site audit, a physical inspection reveals that a CmiA cotton balance of 700 kg is reported in the system but that the actual stock is 500 kg, with no valid explanation being provided for the 200-kg discrepancy. Similarly, during a DTD desktop audit, a document shows 700 kg while the tracking system logs 500 kg.

→ **This is a critical discrepancy that directly affects the transparency and traceability of the claimed material.**

2. Missing critical documentation

During both on-site and desktop audits, key production or delivery reports for specific batches are missing, making it impossible to trace the origin and handling of materials, especially when these batches are part of a high-risk audit scenario.

→ **The absence of critical documentation undermines the entire traceability process and is non-correctable.**

3. Non-segregation of materials

During an on-site audit, a physical inspection of the production facility reveals that certified and non-certified materials are mixed and are not segregated or traceable through clear documentation. In a desktop audit, a lack of proper documentation and internal processes to verify segregation is found.

→ **Failure to segregate claimed materials poses a direct risk to the integrity of the materials and products and undermines compliance with the AbTF Transparency Standard.**

4. Falsified documents

During both on-site and desktop audits, production or delivery records are found to have been fabricated to match delivery quantities or to meet certification requirements, with clear signs of manipulation or intentional error.

→ **Falsification of records represents an intentional breach of integrity and transparency, leading to an immediate finding of non-compliance.**

5. Systemic issues

During an on-site audit, recurring mismatches in documentation are observed across multiple transactions, indicating deliberate neglect or a lack of proper processes. Similarly, in desktop audits, inconsistencies across multiple supply chain levels may indicate systemic failures to adhere to traceability protocols.

→ **This suggests broader operational failures that are systemic and not easily correctable, posing a long-term risk to the AbTF Transparency Standard.**

5.2.2 Minor Non-Compliances

Definition: Minor compliance breaches are isolated incidents that do not pose a substantial risk to the integrity of the system. These are issues **that can be corrected within a specified time frame or that cannot be corrected but are acceptable**. They are typically less severe but require attention to prevent escalation and repetition.

Sanctions: Entities are given a specific period to address and rectify these issues in order to ensure that no further escalation occurs. Incidences of minor non-compliance can be rectified within a

specified time frame to facilitate the approval of a DTD transaction or confirm compliance during an on-site audit.

Examples: Minor non-compliance might include typographical errors in documentation, minor discrepancies in reported quantities, and unintentional administrative oversights.

Minor non-compliance might include, but are not limited to below examples:

1. Obvious typos -> can be corrected

During an on-site audit, an auditor notices a typographical error in a delivery document (e.g. “1000 kg” listed instead of “100 kg”). Similarly, a minor typo in a DTD desktop audit document (e.g. the wrong date or a slight mismatch in quantity) does not affect traceability.

→ **These minor errors do not affect overall transparency and can easily be corrected.**

2. Minor deviation in or between documents -> is acceptable

In a desktop audit, an invoice date is slightly misaligned with the delivery notes, but the shipment and materials can still be traced and are accurate. In an on-site audit, there may be minor variations in the layout of production records, but they do not affect the traceability of certified materials.

→ **The slight misalignment does not significantly affect compliance, and the issue can be addressed without disrupting the process.**

3. Small discrepancy in quantity -> is acceptable

In both desktop and on-site audits, a small discrepancy is noted between the tracking system (reading 99 kg) and the delivery record (100 kg). The difference is explained and documented, ensuring that material handling overall is not impacted.

→ **These discrepancies are minor and correctable, with no major implications for the integrity of the standard.**

4. Unintentional oversight -> can be corrected

During an on-site audit, an auditor notices that a document was temporarily misplaced but later provided or that a minor detail is missing from a report but does not affect overall transparency. Similarly, during a desktop audit, a document is not provided on time but is submitted upon request.

→ **These are unintentional oversights that can be quickly rectified without causing major compliance issues.**

5. Missing non-critical information -> is acceptable

In both on-site and desktop audits, a delivery document is missing optional fields like reference numbers or non-mandatory production details, but the overall transparency of the transaction is still ensured.

→ **Missing non-critical information does not hinder traceability, and the issue can be addressed without major consequences.**

5.3 Detection of Non-Compliances

This section outlines how non-compliance is identified during both **DTD desktop audits and risk-based on-site audits**, including common findings and typical indicators of non-conformance with the AbTF Transparency Standard.

During DTD Desktop Audits

Non-compliance is typically identified through a systematic review of submitted Digital Transaction Documents (DTDs), supporting documents, and associated transaction data in the tracking systems. The audit uses various tools and methods, including document reviews and data consistency checks, to assess compliance with the AbTF Transparency Standard. Typical findings include the following:

- **Inconsistencies between documents**, e.g. mismatches between invoices, production reports, or delivery documents
- **Discrepancies between documents and data**, e.g. mismatches between the volume recorded in production reports and the volume listed in tracking system entries
- **Illogical or implausible data**, e.g. recorded input volumes insufficient to justify the output, such as a yarn consumption volume that is too low for the volume of fabric production
- **Non-compliance and risks**, e.g. the use of non-approved suppliers or a failure to meet the chain of custody requirements

If any such discrepancies are identified, the auditor notifies the organisation, specifying the nature and classification of non-compliance (see [chapter 5.2](#)).

During On-Site Audits

Non-compliance may also be identified during risk-based on-site audits, which are not linked to a specific order but focus on the overall implementation of the AbTF Transparency Standard. The audit involves physical inspections, staff interviews, and document verification. Typical findings include the following:

- **Inconsistencies between system requirements and actual practices**, e.g. the absence of documented segregation procedures or the management of transaction documentation by insufficiently trained staff members
- **Discrepancies between documented procedures and implementation**, e.g. gaps in internal control systems or a failure to maintain traceability in the material flow
- **Illogical or incomplete records**, e.g. outdated inventory logs or inconsistencies between physical stock and records

5.4 Addressing Non-Compliances: Process and Timelines for Corrective Actions

This section outlines the structure of the two-phase process — in which **feedback and clarification** are followed by **corrective action** — for addressing incidences of non-compliance identified during **DTD desktop audits or risk-based on-site audits**.

5.4.1 For DTD Desktop Audits

Phase 1: Response and Clarification

In the feedback and clarification phase, the organisation responds to the auditor's notification through the following process, which is triggered by the detection of any compliance breach:

- The organisation is expected to acknowledge the findings promptly and, where applicable, clarify or respond to the auditor's observations. A **response time of 15 calendar days** is granted to provide clarification or missing documentation.
- If no response is received, a **second notice** that allows for an additional **ten (10) days** is sent.
- A **final reminder** is issued **five (5) days** later, this time including the retailer/brand if the entity is a garment supplier.
- If the organisation **fails to respond** within the full 30-day response and clarification period (15 + 10 + 5 days), the case is **escalated to AbTF and ATAKORA** and will result for the organisation in a

suspension from the CmiA/RCS partnership for 30 days, during which no sales or transactions are permitted. If the issue remains unresolved by the end of this suspension period, the **CmiA/RCS partnership is terminated** and cannot be reinstated for at least one (1) year. Where applicable, the associated retailer or brand will be informed of both the suspension and the termination.

Phase 2: Corrective Action

In the corrective action phase, the organisation implements changes to address confirmed incidences of non-compliance.

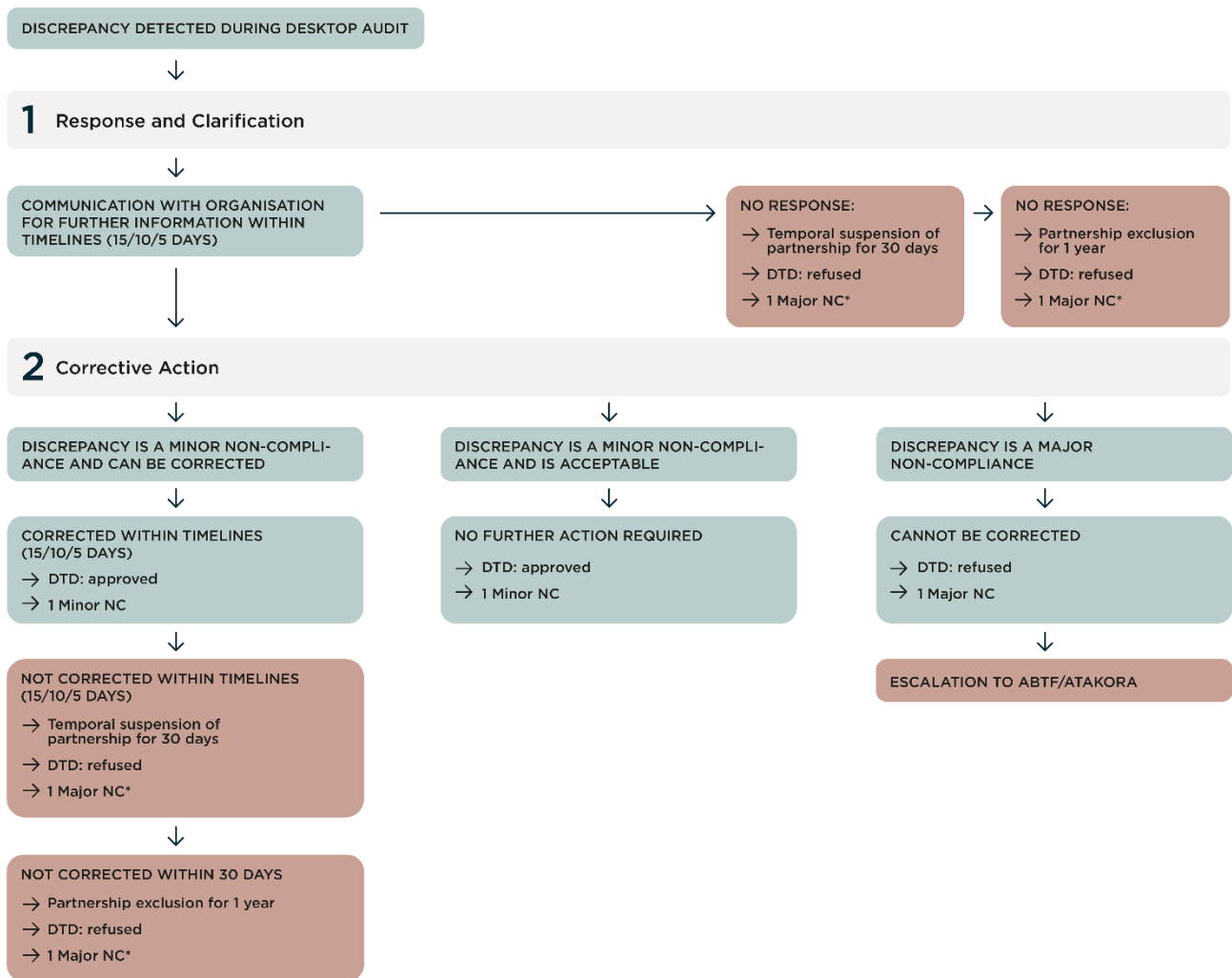
Minor non-compliances:

- The organisation is granted an initial period of **15 calendar days** to implement corrective actions and submit evidence to the control body.
- If no corrective action is taken within this period, a **reminder will be issued**, granting an additional **ten (10) calendar days** to respond.
- If the organisation still fails to act, a **final reminder** will be sent (including the retailer/brand, if applicable), allowing a further **five (5) calendar days** to take corrective measures.
- The control body will assess the **adequacy and effectiveness** of the corrective actions taken.
- If the organisation **fails to provide satisfactory evidence of corrective action** within the full 30-day correction period (15 + 10 + 5 days), the case is **escalated to AbTF and ATAKORA** and will result for the organisation in a **suspension from the CmiA/RCS partnership for 30 days**, during which no sales or transactions are permitted. If the issue remains unresolved by the end of this suspension period, the **CmiA/RCS partnership is terminated** and cannot be reinstated for at least one (1) year. Where applicable, the associated retailer or brand will be informed of both the suspension and the termination.

Major non-compliances:

- If the issue is confirmed to constitute major non-compliance, any **affected transactions are immediately rejected**, and the overall **DTD is marked as refused**. In such cases, **no corrective action period is granted**.
- The issue is **escalated to AbTF and ATAKORA** and may trigger **additional sanctions**. Depending on the severity of the issue and the organisation's compliance history, this may include:
 - A mandatory follow-up audit,
 - A temporary suspension of 30 days (no CmiA/RCS sales or transactions permitted),
 - Or the exclusion from CmiA/RCS partnership.

If applicable, the associated retailer or brand will be informed of the sanctions imposed.



*Also, after suspension and exclusion NCs will be continuously counted for further sanctions.

Figure 3 Process for non-compliance during desktop audit

5.4.2 For On-Site Audits

Due to the nature of risk-based on-site audits, addressing non-compliances may occur over three phases: **(1) initial clarification during the audit, (2) post-audit response to the formal report, and (3) corrective action for confirmed non-compliances.** This structure ensures accurate classification of findings and allows the organisation appropriate time to respond and act.

Phase 1: On-Site Response and Clarification

During the audit, the auditor presents preliminary observations and findings, typically in the closing meeting. The organisation responds through the following process:

The organisation is expected to acknowledge the issues promptly and, where possible, provide **immediate clarification, explanation, or documentation.**

In some cases, misunderstandings can be resolved on-site, and findings may be **adjusted or downgraded** prior to the finalisation of the audit report.

Corrective actions may also be taken immediately.

Phase 2: Post-Audit Response and Clarification

Upon receipt of the audit report, the organisation is finally and comprehensively notified of any findings of non-compliance and responds through the following process:

- The organisation is expected to acknowledge the findings promptly and, where applicable, clarify or respond to the auditor's observations. A **response time of 15 calendar days** is granted to provide clarification or missing documentation.
- If no response is received, a **second notice** that allows for an additional **ten (10) days** is sent.
- A **final reminder** is issued **five (5) days** later, this time including the retailer/brand if the entity is a garment supplier
- If the organisation **fails to respond** within the full 30-day response and clarification period (15 + 10 + 5 days), the case is **escalated to AbTF and ATAKORA** and will result for the organisation in a **suspension from the CmiA/RCS partnership for 30 days**, during which no sales or transactions are permitted. If the issue remains unresolved by the end of this suspension period, the **CmiA/RCS partnership is terminated** and cannot be reinstated for at least one (1) year. Where applicable, the associated retailer or brand will be informed of both the suspension and the termination.

Phase 3: Corrective Action

In the corrective action phase, the organisation implements changes to address confirmed incidences of non-compliance.

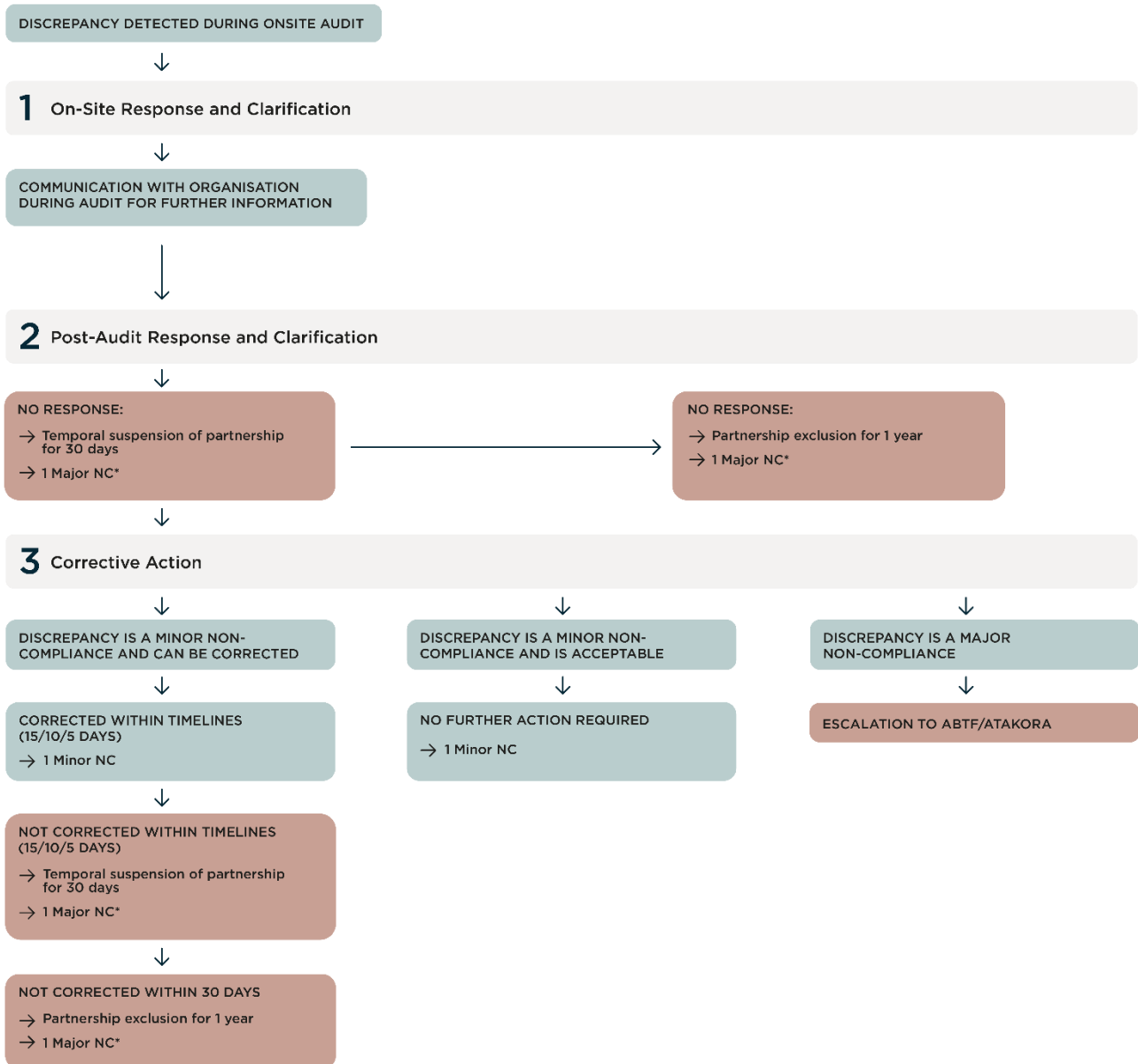
Minor non-compliances:

- The organisation is granted an initial period of **15 calendar days** to implement corrective actions and submit evidence to the control body.
- If no corrective action is taken within this period, a **reminder will be issued**, granting an additional **ten (10) calendar days** to respond.
- If the organisation still fails to act, a **final reminder** will be sent (including the retailer/brand, if applicable), allowing a further **five (5) calendar days** to take corrective measures.
- The control body will assess the **adequacy and effectiveness** of the corrective actions taken.
- If the organisation **fails to provide satisfactory evidence of corrective action** within the full 30-day correction period (15 + 10 + 5 days), the case is **escalated to AbTF and ATAKORA** and will result for the organisation in a **suspension from the CmiA/RCS partnership for 30 days**, during which no sales or transactions are permitted. If the issue remains unresolved by the end of this suspension period, the **CmiA/RCS partnership is terminated** and cannot be reinstated for at least one (1) year. Where applicable, the associated retailer or brand will be informed of both the suspension and the termination.

Major non-compliances:

- If the issue is confirmed to constitute major non-compliance (e.g., systemic failures, falsification, or critical breakdowns in segregation or traceability), the case is immediately **escalated to AbTF and ATAKORA**. In such cases, **no corrective action period is granted**.
- The non-compliance may trigger additional sanctions. Depending on the severity of the issue and the organisation's compliance history, this may include:
 - A mandatory follow-up audit,
 - A temporary suspension of 30 days (no CmiA/RCS sales or transactions permitted),
 - Or the exclusion from CmiA/RCS partnership.

If applicable, the associated retailer or brand will be informed of the sanctions imposed.



*Also, after suspension and exclusion NCs will be continuously counted for further sanctions.

Figure 4 Process for non-compliance during on-site audit

5.4.3 Corrective Action – Requirements and Expectations

Whenever an organisation is found to be non-compliant — whether due to a minor or major breach — it must take corrective action that addresses the issue, prevents recurrence, and strengthens overall compliance. This includes conducting a root cause analysis, documenting findings, and implementing appropriate preventive measures.

Corrective actions apply equally to findings identified during DTD desktop audits and risk-based on-site audits.

Organisations shall take the following steps:

- **Acknowledge the compliance breach** internally and, where relevant, inform external stakeholders such as brands or supply chain partners.

- **Conduct a root-cause analysis** to determine the origin of the compliance breach, identifying failures in systems, processes, or human oversight.
- **Develop and implement a corrective action plan** proportionate to the type and severity of the finding. The plan should clearly outline the steps taken to resolve the issue and avoid its recurrence.
- **Provide staff training and raise awareness**, ensuring that all relevant personnel understand the compliance requirements and any procedural changes resulting from the corrective action.
- **Monitor and review internal processes** after implementation to ensure that corrective actions are effective and that similar compliance breaches are prevented in future.
- **Document all steps taken**, including the compliance breach, investigation results, corrective actions, and supporting evidence (e.g. updated procedures, training logs, or photos).

The organisation must implement the agreed measures within the applicable timelines outlined in [chapter 5.4.1](#) and [chapter 5.4.2](#).

Control bodies shall review the corrective actions submitted by the organisation and evaluate whether:

- the issue has been fully resolved;
- the risk of recurrence has been minimised; and
- any follow-up checks or audits are required to confirm the outcome.

If corrective actions fail to address the root cause—or if they are incomplete, undocumented, or not implemented within the agreed time frame—they are deemed unsatisfactory. This will result in escalation and may lead to further sanctions, including the following:

- Mandatory on-site audits
- Increased audit frequency
- Heightened scrutiny during future audits
- Suspension or exclusion from CmiA/RCS partnership

5.5 Sanctions

Sanctions are imposed to enforce compliance with the AbTF Transparency Standard and to deter future non-compliance. Repeated serious violations or ongoing poor implementation of the AbTF Transparency Standard will lead to sanctions.

In addition, AbTF reserves the right to impose further sanctions in the event of particularly serious violations (e.g. deliberate fraud) and to immediately exclude organisations from CmiA/RCS partnership and thus from producing and selling CmiA/RCS products.

5.5.1 Overview

Regulations for repeated non-compliance and the resulting sanctions — whether through DTD desktop audits or on-site audits — are outlined below.

Non-compliance level	Number of violations	Sanction
Major non-compliance	Five (5) or more	Suspension of CmiA/RCS partnership and of access to tracking systems for 30 days
	Ten (10) or more	Termination of CmiA/RCS partnership and of access to tracking systems for one (1) year
Minor non-compliance	20 or more	Suspension of CmiA/RCS partnership and of access to tracking systems for 30 days
	30 or more	Termination of CmiA/RCS partnership and of access to tracking systems for one (1) year

5.5.2 Sanctions for Repeated Major Non-Compliance

Entities with **multiple incidences (five or more) of major non-compliance** face the suspension of their CmiA/RCS partnership and the cessation of all related activities.

As a first step, the organisation's **CmiA/RCS partnership**, and therefore its access to the tracking systems, will be **suspended for 30 days**. During this time, the organisation is not allowed to sell any CmiA/RCS products or to enter or update any transactions in the tracking system.

Persistent violations (ten or more incidences of major non-compliance) then lead to the **termination of the CmiA/RCS partnership**, requiring the entity to undergo an onboarding audit for reregistration, which will be only allowed after at least one year has passed.

To regain CmiA/RCS membership, entities must demonstrate significant corrective actions and improvements.

5.5.3 Sanctions for Repeated Minor Non-Compliances

Also, multiple incidences of even only minor non-compliance can become problematic over time as they can accumulate, revealing systemic weaknesses, undermining trust and reputation, and increasing the risk of more serious violations. Therefore, even small deviations should be addressed to ensure long-term compliance with the standard.

Entities with **multiple incidences (20 or more) of minor non-compliance** face the suspension of their CmiA/RCS partnership and the cessation of all related activities.

As a first step, the organisation's **CmiA/RCS partnership**, and therefore its access to the tracking systems, will be **suspended for 30 days**. During this time, the organisation is not allowed to sell any CmiA/RCS products or to enter or update any transactions in the tracking system.

Persistent non-compliance (30 or more detected instances of minor non-compliance) will then result in the **termination of its CmiA/RCS partnership**, requiring the entity to undergo an onboarding audit for reregistration, which will be only allowed after at least one year has passed.

To regain CmiA/RCS membership, entities must demonstrate significant corrective actions and improvements.

5.5.4 Grace Periods

If an organisation's partnership is terminated according to the above regulations and it has pending orders with any other organisations for CmiA/RCS products at the time of termination, a grace period of one (1) month will be granted to allow the organisation to complete and fulfil those existing orders. The organisation is only permitted to finalise orders that were placed before the termination took effect and that involve exclusively products with delivery dates within this grace period. During this period, the entity will retain limited access to the necessary systems and processes required to fulfil the open orders. However, no new orders or transactions involving CmiA/RCS products will be permitted during this time.

The organisation must promptly inform its business partners about the partnership termination and the relevant regulations.

This grace period is intended to minimise disruptions in the supply chain and ensure that any existing contractual obligations between the affected entity and the licensing partner can be honoured.

After the expiration of the grace period, the organisation's access to the tracking system will be permanently terminated, and it will no longer be authorised to produce or sell any CmiA/RCS products.

This policy ensures a fair transition while maintaining the integrity of the standard.

6 Contact

General information on Cotton made in Africa ® and the Regenerative Cotton Standard ® can be found on the Aid by Trade Foundation's websites at the following addresses:

Cotton made in Africa ® and Cotton made in Africa ® Organic:

<https://cottonmadeinafrica.org/en/>

Regenerative Cotton Standard ®

<https://regenerative-cotton.org/en/home/>

For further information please reach out to: supplychain@abt-foundation.org

