

VERITEX®

CERTIFICATION SYSTEM

GENERAL REGULATION

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Issued by: SMC Slovensko a.s.s - VERITEX® Scheme Owner

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Chapter 1 – General Provisions

1.1 Purpose

The purpose of this General Regulation is to establish the principles, requirements, governance structure and operational rules governing the VERITEX® Certification System.

The Regulation provides a framework for the assessment, certification and surveillance of organizations operating within the textile and apparel supply chain and seeking certification under one or more VERITEX® certification schemes.

The Regulation defines:

- The objectives of the certification system.
- The responsibilities of the Scheme Owner.
- The responsibilities of Certification Bodies.
- The rights and obligations of applicants and certified organizations.
- The certification process.
- The surveillance and recertification requirements.
- The rules governing the use of VERITEX® certification marks.
- The mechanisms for maintaining scheme integrity and credibility.

The Regulation aims to ensure that all certification activities are conducted consistently, transparently, objectively and in accordance with internationally recognized conformity assessment principles.

1.2 Objectives of the VERITEX® Certification System

VERITEX® has been established to promote responsible textile production and to provide confidence to consumers, brands, retailers, regulators and other stakeholders regarding the sustainability and integrity of certified textile products.

The primary objectives of the system are to:

a) Promote Social Responsibility

Support the protection of workers' rights and welfare throughout the textile value chain through the implementation of responsible labour practices and ethical business conduct.

b) Promote Environmental Sustainability

Encourage efficient management of natural resources and reduction of environmental impacts associated with textile production.

c) Promote Chemical Safety

Support the elimination, reduction and responsible management of hazardous substances within textile products and production processes.

d) Promote Supply Chain Transparency

Enhance traceability and accountability across textile supply chains from raw material production to final product manufacturing.

e) Support ESG Integration

Provide organizations with a practical framework for implementing Environmental, Social and Governance (ESG) principles.

f) Foster Continuous Improvement

Encourage certified organizations to improve their performance over time through measurable objectives, monitoring activities and management review processes.

1.3 Scope of Application

This Regulation applies to all VERITEX® certification schemes and all organizations seeking or maintaining certification under the VERITEX® framework.

The Regulation applies regardless of:

- Organization size.
- Legal structure.
- Geographic location.
- Ownership model.
- Production technology.

The certification system may be applied to organizations operating within any stage of the textile and apparel value chain.

1.4 Structure of the VERITEX® Certification System

The VERITEX® Certification System consists of four integrated certification schemes.

VERITEX SOCIAL®

A certification scheme focused on human rights, labour practices, occupational health and safety, worker welfare, responsible employment conditions and social supply chain management.

VERITEX ECOFLOW®

A certification scheme focused on water management, energy management, emissions control, waste management, wastewater management and environmental performance.

VERITEX PURE®

A certification scheme focused on chemical safety, restricted substances, heavy metals, toxic dyes, PFAS, phthalates, hazardous substances management and product safety.

VERITEX ELITE®

An integrated premium certification combining VERITEX SOCIAL®, VERITEX ECOFLOW® and VERITEX PURE® plus advanced requirements related to ESG governance, supply chain traceability, transparency and sustainability leadership.

1.5 Principles of the Certification System

All VERITEX® certification activities shall be based upon the following principles:

Integrity – Certification activities shall be conducted honestly, ethically and professionally.

Objectivity – Certification decisions shall be based solely on objective evidence.

Impartiality – Certification decisions shall not be influenced by commercial, financial or personal interests.

Competence – Personnel involved in certification activities shall possess appropriate qualifications, experience and technical competence.

Transparency – Certification requirements and processes shall be communicated clearly to stakeholders.

Confidentiality – Information obtained during certification activities shall be protected against unauthorized disclosure.

Accountability – Organizations shall be accountable for the accuracy of information provided and for maintaining conformity with certification requirements.

Continuous Improvement – Certified organizations shall demonstrate ongoing commitment to improving their social, environmental and product safety performance.

1.6 Normative and Informative References

The VERITEX® Certification System has been developed taking into consideration internationally recognized standards and good practices, including ISO/IEC 17065, ISO/IEC 17067, ISO 19011, ISO 14001, ISO 50001, SA8000, ILO Core Conventions, UN Guiding Principles on Business and Human Rights, REACH Regulation, ZDHC Guidelines, Global Reporting Initiative (GRI) and the UN Sustainable Development Goals.

1.7 Language of Certification

The official language of the VERITEX® Certification System shall be English. The Scheme Owner may approve translations into other languages. In case of conflict between translated versions and the English version, the English version shall prevail.

1.8 Legal Status

Certification under the VERITEX® Certification System does not replace legal obligations, constitute regulatory approval, transfer legal responsibility from the certified organization or guarantee product safety beyond the scope of certification. The certified organization remains fully responsible for compliance with all applicable laws and regulations.

1.9 Effective Date

This Regulation becomes effective upon publication by the Scheme Owner. All certification activities conducted under the VERITEX® Certification System shall comply with the requirements established herein.

1.10 Revision Control

The Scheme Owner shall maintain a documented revision management process. Revisions may be initiated as a result of regulatory changes, stakeholder feedback, technological

developments, industry evolution or scheme improvement initiatives. All revisions shall be documented and communicated to relevant stakeholders before implementation.

Chapter 2 – Governance of the VERITEX® Certification Scheme

2.1 Purpose of Governance

The purpose of the VERITEX® governance structure is to ensure that the certification system is managed in a transparent, impartial, competent and effective manner. The governance framework establishes responsibilities, authorities and decision-making processes necessary to maintain the integrity, credibility and continuous improvement of the VERITEX® Certification System.

2.2 Governance Structure

The VERITEX® Certification System shall be governed through the following organizational bodies:

- Scheme Owner – The legal entity responsible for ownership, development and maintenance of the VERITEX® Certification System.
- Technical Committee – Independent technical body responsible for technical development and review of certification requirements.
- Stakeholder Advisory Committee – Multi-stakeholder body responsible for ensuring balanced representation of interested parties.
- Integrity and Impartiality Committee – Independent body responsible for safeguarding impartiality and certification integrity.
- Approved Certification Bodies – Organizations authorized to perform certification activities under VERITEX®.
- Approved Laboratories – Laboratories authorized to perform testing activities recognized by the VERITEX® system.

2.3 Scheme Owner

The Scheme Owner shall be the ultimate authority responsible for the management and development of the VERITEX® Certification System, maintaining overall responsibility for scheme development, maintenance, intellectual property protection, recognition and promotion, and scheme oversight. The Scheme Owner shall remain independent from certification decisions regarding individual clients.

2.4 Responsibilities of the Scheme Owner

Strategic: Define strategic objectives, establish development priorities and ensure long-term sustainability.

Technical: Maintain technical requirements, approve revisions, coordinate technical committees and manage interpretation requests.

Operational: Approve certification bodies, monitor scheme implementation, maintain certification databases and manage stakeholder communications.

Integrity: Investigate scheme misuse, address integrity concerns, monitor fraud risks and maintain public confidence.

2.5 Technical Committee

The Technical Committee shall be responsible for the technical development and scientific integrity of the VERITEX® certification requirements. Members shall be selected based on competence and experience across social responsibility, environmental sustainability, chemical safety and textile industry domains.

2.6 Duties of the Technical Committee

The Technical Committee shall review technical requirements, evaluate emerging risks, support interpretation of requirements, support innovation and facilitate continuous improvement. The committee shall meet at least annually.

2.7 Stakeholder Advisory Committee

The Stakeholder Advisory Committee shall provide independent stakeholder representation to ensure that certification requirements reflect the expectations of relevant interested parties, including textile manufacturers, brands, retailers, trade unions, worker representatives, NGOs, consumer associations and research institutes.

2.8 Stakeholder Consultation Process

Before major revisions are approved, stakeholder consultation shall be conducted through public consultations, technical workshops, expert reviews, industry surveys and pilot projects. Consultation periods should normally remain open for a minimum of sixty (60) days. Feedback shall be documented and evaluated before final approval.

2.9 Integrity and Impartiality Committee

The Integrity and Impartiality Committee shall operate independently from commercial interests and certification activities to protect credibility, objectivity, independence and fairness. It shall monitor risks related to conflicts of interest, auditor independence, certification consistency, fraudulent activities and improper certification practices.

2.10 Impartiality Risk Management

Potential threats to impartiality shall be identified, assessed and controlled. Examples include self-interest threats (financial interests influencing decisions), familiarity threats (relationships affecting objectivity), self-review threats, advocacy threats and intimidation threats. Documented mitigation measures shall be implemented for each identified risk.

2.11–2.12 Certification Bodies – Approval

Certification activities may only be performed by approved Certification Bodies that demonstrate organizational competence, technical competence and operational capability. The Scheme Owner reserves the right to suspend or withdraw approval. Approval may include document review, witness assessments and competence evaluations.

2.13 Approved Laboratories

Testing activities recognized by VERITEX® shall be performed by approved laboratories operating under ISO/IEC 17025 principles, demonstrating technical competence, participating in proficiency testing and maintaining suitable equipment.

2.14 Scheme Integrity Management

The Scheme Owner shall establish a Scheme Integrity Program addressing fraud prevention (counterfeit certificates, false claims, unauthorized logo use), market surveillance, traceability verification and complaint investigation.

2.15–2.17 Decision-Making, Transparency and Review

All governance decisions shall be evidence-based, transparent, consistent and technically justified. The Scheme Owner shall maintain transparency regarding certification requirements, governance structure, revision processes, approved Certification Bodies and Laboratories. The governance system shall be reviewed periodically to evaluate achievement of objectives, stakeholder participation, impartiality performance and certification consistency.

2.18 Governance Records

Records shall be maintained regarding committee meetings, decisions, stakeholder consultations, risk assessments and scheme revisions. Records shall normally be retained for a minimum period of ten (10) years.

Annex – RACI Matrix: Scheme Governance

Activity	Scheme Owner	Tech. Comm.	Stakeholder Comm.	Integrity Comm.	Cert. Bodies
Develop Standards	A	R	C	I	I
Review Requirements	A	R	C	I	I
Stakeholder Consultation	A	C	R	I	I
Approve Revisions	A	C	C	I	I
Monitor Integrity	I	C	I	R	C
Certification Audits	I	I	I	C	R
Approve Cert. Bodies	A	C	I	C	I
Market Surveillance	A	C	I	R	C

Legend: R = Responsible | A = Accountable | C = Consulted | I = Informed

Chapter 3 – Impartiality, Independence and Confidentiality

3.1 Purpose

The purpose of this chapter is to establish the principles, responsibilities and controls necessary to ensure impartiality, independence, confidentiality and ethical conduct throughout all activities performed under the VERITEX® Certification System. The credibility of the system depends upon the ability of all parties to operate objectively, independently and free from undue influence.

This chapter establishes requirements applicable to: the Scheme Owner, Certification Bodies, Auditors, Technical Experts, Laboratories, Committee Members, External Contractors and any individual involved in certification activities.

3.2 Fundamental Principles of Certification Integrity

Objectivity, Independence, Professional Skepticism, Integrity, Confidentiality and Accountability shall govern all certification activities. Certification decisions shall be based exclusively on objective evidence and shall not be influenced by commercial, financial or personal interests.

3.3 Governance of Impartiality

The Certification Body shall establish an independent Impartiality Committee responsible for reviewing impartiality risks, conflicts of interest, complaints, auditor assignments and annual integrity performance. The Committee shall include members with no direct involvement in certification activities and shall meet at least twice per year.

3.4 Conflict of Interest Management

All actual, potential and perceived conflicts of interest shall be identified, evaluated, documented and controlled. Financial interests, personal relationships, previous employment, gifts and hospitality shall be declared and managed prior to any assignment. Undisclosed conflicts of interest shall be considered a Major Integrity Breach.

3.5 Consultancy and Certification Separation

Certification and consultancy activities shall remain completely separated. The Certification Body shall not provide consultancy services related to VERITEX® certification requirements to applicant or certified organizations. A cooling-off period of at least three (3) years shall apply between consultancy and certification activities.

3.6 Auditor Independence Programme

Annual declarations of independence shall be collected from all auditors. Auditor rotation shall be implemented after a maximum of three (3) consecutive certification cycles. All assignments shall be reviewed for conflicts of interest prior to confirmation. Non-compliance with rotation requirements shall be reported to the Impartiality Committee.

3.7 Confidentiality Management System

Information shall be classified as Public, Internal, Confidential or Highly Confidential and protected accordingly. All personnel involved in certification activities shall sign confidentiality agreements. Confidentiality obligations shall survive the termination of employment or contractual relationships.

3.8 Information Security

Authentication controls, access management, data encryption, secure backup and cybersecurity controls shall be implemented to protect certification-related information. Access to sensitive data shall be restricted on a need-to-know basis. Any unauthorized access or data breach shall be reported immediately and investigated.

3.9 Anti-Corruption and Anti-Bribery

VERITEX® adopts a zero-tolerance approach toward bribery, corruption, facilitation payments and undue influence. All personnel shall refuse gifts, hospitality or other benefits that could influence certification decisions. Suspected corruption shall be reported through the whistleblowing system and investigated without delay.

3.10 Fraud Prevention Programme

The Certification Body shall maintain a documented fraud prevention programme addressing risk identification, controls implementation, monitoring activities and market surveillance. The programme shall include procedures for certificate verification, logo control and detection of counterfeit certification claims.

3.11 Whistleblowing System

Confidential reporting channels shall be available to employees, auditors, suppliers, workers and external stakeholders. Reports may be submitted anonymously. The whistleblowing system shall be accessible, secure and independent from line management.

3.12 Protection of Whistleblowers

Individuals reporting concerns in good faith shall be protected from retaliation, discrimination, dismissal or any form of adverse treatment. Retaliation against whistleblowers shall itself constitute a Critical Integrity Breach.

3.13 Integrity Investigations

All allegations shall be investigated through a documented process including: initial assessment within five (5) working days, risk classification, investigation (up to sixty (60) days), decision, corrective actions or sanctions, closure and record retention.

3.14 Integrity Violations Classification

Minor Integrity Breach: isolated procedural deviations with limited impact.

Major Integrity Breach: systematic failures, undisclosed conflicts or significant non-compliance.

Critical Integrity Breach: fraud, bribery, falsification of records or serious human rights violations.

3.15 Sanctions and Enforcement

Sanctions may include: formal warning, suspension of auditor authorization, withdrawal of certification, permanent exclusion from VERITEX® activities and referral to legal authorities where applicable. Sanctions shall be proportional to the severity and nature of the violation.

3.16 Impartiality Risk Assessment Methodology

Risks shall be evaluated using likelihood (Low/Medium/High/Critical) and impact criteria. The risk rating shall determine required mitigation measures. High and Critical risks require documented mitigation plans and management approval prior to proceeding with audit activities.

3.17 Integrity Performance Indicators

Mandatory KPIs shall be monitored and reported quarterly to the Impartiality Committee, covering: auditor independence declaration compliance, confidentiality breaches, whistleblowing resolution rates, conflict-of-interest management effectiveness and auditor rotation compliance.

3.18 Annual Integrity Review

An Annual Integrity Review shall assess the overall performance of impartiality controls, whistleblowing system effectiveness, confidentiality incidents, fraud cases investigated and integrity KPI trends. Findings shall be reported to the Scheme Owner.

3.19 Auditor Ethics Code

Auditors shall act honestly and remain impartial at all times. They shall protect the confidentiality of all information obtained. Prohibited conduct includes: accepting bribes or improper gifts, falsifying audit records, coaching clients, concealing nonconformities and providing unauthorized consultancy.

3.20 Anti-Corruption Procedure

All corruption risks and red flags shall be identified, documented and reported through the integrity system. Any allegation of corruption shall trigger a formal investigation. Findings shall be reported to the Impartiality Committee and, where appropriate, to competent authorities.

3.21 Fraud Investigation Procedure

Fraud investigations shall follow a structured process: detection and initial report, risk assessment and preliminary screening, evidence collection, investigation, decision on findings, sanctions and closure. All investigation activities shall be documented and retained.

3.22 Market Integrity Monitoring

The Scheme Owner may conduct unannounced audits, product testing, mystery purchases, traceability verification exercises and market surveillance activities to verify the integrity of certified organizations and certification claims.

3.23 Certification Integrity Escalation Matrix

Integrity breaches shall be escalated according to severity: Minor breaches result in documented warnings; Major breaches trigger suspension and corrective action; Critical breaches result in certification withdrawal, permanent exclusion and legal action where warranted.

3.24 Management of Sensitive Information

Chemical formulations, supplier lists, laboratory results, traceability databases and financial information relating to certified organizations shall be classified as Highly Confidential. Access shall be strictly controlled and audited.

3.25 Revision and Continuous Improvement

The effectiveness of Chapter 3 requirements shall be reviewed annually through internal audits, stakeholder feedback and integrity performance reviews. Improvement actions shall be implemented and tracked to closure.

Annex A – Conflict of Interest Matrix

Situation	Risk Level	Action	Decision
Former employee (<3 years)	High	Reassign auditor	Audit prohibited
Family relationship	Critical	Remove auditor	Audit prohibited
Financial interest	Critical	Remove auditor	Audit prohibited
Gift >50 EUR	High	Declare and investigate	Approval required
Previous consultancy	Critical	Apply cooling-off period	Audit prohibited

Annex F – Integrity KPIs

KPI	Formula	Target	Frequency
Conflict of Interest Declarations Completed	Completed / Required × 100	100%	Annual
Confidentiality Breaches	Count	0	Quarterly

KPI	Formula	Target	Frequency
Whistleblowing Cases Closed on Time	Closed on time / Total × 100	>95%	Quarterly
Integrity Investigations	Count	Monitor	Annual
Auditor Rotation Compliance	Compliant auditors / Total × 100	100%	Annual

Chapter 4 – Certification Process

4.1 Purpose

The purpose of this chapter is to establish the certification process applicable to all VERITEX® certification schemes and to ensure consistency, transparency, impartiality and technical rigor throughout certification activities. The process applies equally to Initial Certification, Surveillance Audits, Recertification Audits, Extension of Scope, Transfer of Certification and Extraordinary Audits.

4.2 Certification Cycle

VERITEX® certification follows a three-year certification cycle consisting of eight phases: Application, Contract Review, Audit Planning, Stage 1 Audit, Stage 2 Audit, Certification Decision, Certification Maintenance and Recertification.

Typical Certification Timeline

Activity	Timing
Application	Day 0
Contract Review	Within 15 days
Stage 1 Audit	Within 60 days
Stage 2 Audit	Within 90 days
Certification Decision	Within 30 days after audit closure
Surveillance Audit 1	Year 1
Surveillance Audit 2	Year 2
Recertification Audit	Year 3

4.3 Application

4.3.1 Submission of Application

Organizations seeking certification shall submit a formal application using the official VERITEX® Application Form. Applications shall include general information (legal entity name, registration number, address, contact information, number of employees, operational locations), certification information (requested scheme, certification level, scope, products), operational information (production processes, volumes, suppliers, outsourced activities, subcontractors) and management system information (existing certifications, internal audit status, management review status, regulatory compliance information).

4.3.2 Accuracy of Information

The applicant shall ensure that all information submitted is complete, accurate, current and verifiable. Submission of false or misleading information may result in rejection of application, suspension of certification activities or withdrawal of certification.

4.3.3 Scope Definition

The scope shall clearly define activities, products, sites and supply chain stages covered. The Certification Body reserves the right to revise the proposed scope where technically justified.

4.4 Contract Review

The purpose of Contract Review is to determine whether certification activities can be conducted effectively. The Certification Body shall evaluate organizational complexity, risk profile, geographic factors and scheme requirements. Applications may be accepted, accepted with conditions or rejected. The applicant shall be informed in writing of the outcome within the timeframes specified in Section 4.2.

4.5 Audit Planning

Audit planning establishes audit objectives, scope, criteria, duration and team composition. Audit teams shall be assigned according to competence requirements. Audit duration shall be determined considering number of employees, production complexity, number of sites, certification scope, risk level and previous performance.

4.6 Stage 1 Audit

The purpose of the Stage 1 Audit is to determine the readiness of the applicant organization for the Stage 2 Certification Audit. Stage 1 shall not result in certification. The Stage 1 Report shall assess organizational readiness and recommend one of three outcomes: Ready, Conditionally Ready or Not Ready.

4.7 Stage 2 Audit

The Stage 2 Audit evaluates the effective implementation and operational performance of the organization against VERITEX® certification requirements. Audit techniques include interviews, observation, document review, traceability exercises and sampling. For VERITEX SOCIAL® assessments, confidential worker interviews shall be conducted without management presence.

4.8 Audit Findings

All findings shall be evidence-based, objective, verifiable and clearly documented. Findings are classified as: Conformity, Observation (potential weakness, does not prevent certification), Minor Nonconformity (isolated failure, corrective actions within 60 days), Major Nonconformity (systemic failure, corrective actions within 90 days, certification withheld until closure) or Critical Violation (triggers immediate suspension or denial).

4.9 Corrective Actions

The organization shall establish a documented process for corrective actions including root cause analysis (using methods such as 5 Why Analysis or Fishbone Diagrams), a corrective action plan defining actions, responsibilities, deadlines and resources, and verification of effectiveness through document review, follow-up audits or additional testing. Nonconformities shall only be closed when sufficient objective evidence demonstrates effective implementation.

4.10 Certification Decision

Certification decisions shall be made by competent personnel independent from the audit team. The decision-maker shall review audit reports, corrective actions, technical reviews, laboratory results and complaint history.

Certification Recommendation Matrix

Situation	Decision
No Major Nonconformity	Certification Recommended
Minor Nonconformity Open	Certification May Proceed with Action Plan
Major Nonconformity Open	Certification Denied
Critical Violation	Immediate Denial

Where applicable, a Certification Committee may review high-risk certification decisions. Following approval, the Certification Body shall authorize certificate issuance and update certification records.

4.11 Certificate Issuance

Upon a positive certification decision, the Certification Body shall issue a VERITEX® Certificate of Conformity containing the following mandatory information:

- Certificate unique identification number.
- Name and legal address of the certified organization.
- Certification scheme (VERITEX SOCIAL®, VERITEX ECOFLOW®, VERITEX PURE® or VERITEX ELITE®).
- Certification scope including activities, products and sites covered.
- Date of issue and date of expiry.
- Name and accreditation details of the Certification Body.
- Reference to applicable VERITEX® requirements.

Certificates shall be issued in the name of the certified legal entity only. Certificates shall be valid for a period not exceeding three (3) years, subject to satisfactory surveillance. The Certification Body shall maintain an up-to-date public register of all valid certificates.

4.12 Surveillance Audits

Surveillance Audits shall be conducted at least annually during the certification cycle to verify continued conformity, continued implementation of corrective actions, achievement of improvement objectives and compliance with applicable legal requirements.

The scope of surveillance audits shall cover at minimum:

- Internal audit activities and findings.
- Management review outputs.
- Achievement of objectives and KPIs.
- Legal compliance status.
- Changes affecting the certification scope.
- Use of VERITEX® certification marks.

Failure to submit to scheduled surveillance audits within the required timeframe shall result in suspension of the certificate.

4.13 Extraordinary Audits

Extraordinary Audits may be triggered at any time during the certification cycle. Triggers include: complaints received regarding the certified organization, integrity concerns or fraud allegations, significant organizational changes (ownership, scope, production processes), regulatory enforcement actions, adverse media reports or market surveillance findings.

Extraordinary audits may be conducted with short notice or no notice. Organizations shall cooperate fully with extraordinary audit activities. The cost of extraordinary audits resulting from justified complaints or integrity concerns shall be borne by the certified organization.

4.14 Recertification

Recertification audits shall be initiated at least ninety (90) days before certificate expiry to allow sufficient time for completion of the audit process and certification decision before the current certificate lapses.

The recertification audit shall evaluate:

- Overall effectiveness of the management system during the certification cycle.
- Achievement of sustainability objectives and KPIs.
- Continued conformity with VERITEX® requirements.
- Long-term performance trends.
- Results of internal audits and management reviews.
- Effectiveness of corrective actions implemented during the cycle.

Where recertification is not completed before certificate expiry, the certificate shall lapse. A new initial certification process shall be required to restore certification status.

4.15 Transfer of Certification

A certified organization may request transfer of its VERITEX® certification from one Certification Body to another. The receiving Certification Body shall conduct a transfer review to evaluate the validity and integrity of the current certificate, the history of audits and nonconformities during the current cycle, the effectiveness of corrective actions and any outstanding nonconformities or integrity concerns.

Transfer of certification shall not extend or interrupt the current certification cycle. The receiving Certification Body shall assume full responsibility for surveillance and recertification activities upon transfer. The transferring Certification Body shall provide all certification records within thirty (30) days of receiving a transfer request.

4.16 Reduction, Suspension and Withdrawal of Certification

Reduction of Scope

The scope of certification may be reduced where the certified organization is unable to demonstrate continued conformity for part of its original scope, where specific products or activities are discontinued or where major nonconformities remain unresolved for a specific part of the scope.

Suspension of Certification

Certification may be suspended where: major nonconformities are not closed within agreed timeframes; the certified organization fails to submit to scheduled audits; serious complaints are under investigation; significant changes to the organization have not been notified; or voluntary suspension is requested by the certified organization.

During suspension, the organization shall not make certification claims and shall not use VERITEX® certification marks. The maximum suspension period shall normally be six (6) months. Failure to resolve the cause of suspension within this period shall result in withdrawal.

Withdrawal of Certification

Certification shall be withdrawn where: suspension conditions are not resolved within the specified period; critical violations are confirmed; fraudulent certification claims are identified; the certified organization voluntarily surrenders certification; or legal obligations prevent continued certification.

Upon withdrawal, the organization shall immediately cease all use of VERITEX® certification marks and return or destroy any certified materials. The Certification Body shall update the public register and notify the Scheme Owner within five (5) working days.

4.17 Appeals and Complaints

Appeals

An applicant or certified organization may appeal a certification decision within thirty (30) days of receiving written notification. Appeals shall be submitted in writing to the Certification Body and shall state the grounds for appeal with supporting evidence.

The appeals process shall be handled by personnel independent from those who made the original decision. A decision on the appeal shall be communicated within sixty (60) days of receipt. If the appeal is upheld, the certification decision shall be reviewed and revised accordingly. If dissatisfied with the outcome, the appellant may escalate to the VERITEX® Scheme Owner.

Complaints

Any party may submit a complaint regarding a certified organization or the conduct of certification activities. Complaints shall be acknowledged within five (5) working days and a preliminary assessment completed within fifteen (15) working days. The complainant shall be

kept informed of progress and outcome. The Certification Body shall maintain records of all complaints and demonstrate that appropriate corrective actions have been taken.

4.18 Certification Records

The Certification Body shall maintain comprehensive records of all certification activities. Mandatory records include: applications and contract review documentation, audit plans and reports, nonconformity and corrective action records, certification decisions and approvals, certificates issued and their current status, suspension and withdrawal records, appeals and complaints records, and surveillance and recertification records.

Records shall be retained for a minimum period of ten (10) years following the expiry or withdrawal of the relevant certificate. Records shall be protected against unauthorized access, modification or destruction.

4.19 Process Performance Monitoring

The Certification Body shall monitor and measure the performance of the certification process using defined Key Performance Indicators, including:

- Average time from application to certification decision.
- Nonconformity closure rates within agreed timeframes.
- Complaint resolution timeliness.
- Appeals outcomes and trends.
- Auditor competence assessment results.
- Certification cycle on-time performance.

Performance data shall be reviewed at least annually and used as input to the continual improvement process.

4.20 Continual Improvement

The Certification Body shall maintain a documented continual improvement programme for the certification process. Inputs to the programme shall include: process performance data, audit findings, stakeholder feedback, complaints and appeals trends, scheme revision requirements and regulatory developments.

Improvement actions shall be documented, assigned to responsible persons with defined deadlines, monitored for effectiveness and reported to the Scheme Owner annually. The Scheme Owner may audit the Certification Body's improvement programme as part of ongoing oversight activities.

Appendix A – Audit Time Calculation Criteria

Audit duration shall be calculated according to the following base criteria, expressed in audit days. Additional time shall be applied according to adjustment factors described below.

Number of Employees	Stage 2 Base Days	Stage 1 Base Days	Notes
1 – 5	1.0	N/A	Applies to Stage 2 on-site days

Number of Employees	Stage 2 Base Days	Stage 1 Base Days	Notes
6 – 20	1.5	N/A	
21 – 50	2.0	0.5	
51 – 100	2.5	0.5	
101 – 250	3.0	1.0	
251 – 500	4.0	1.5	
501 – 1000	5.0	2.0	
>1000	Risk-Based	Risk-Based	To be agreed

Adjustment Factors:

- High-risk operations: +10% to +30%.
- Complex supply chains: +10% to +25%.
- Multi-site operations: +5% to +20% per additional site sampled.
- Integrated schemes (VERITEX ELITE®): +15% to +40%.
- Previous major nonconformities: +10% to +20%.

Appendix B – Multi-Site Certification Rules

Organizations operating multiple facilities under a centralized management system may qualify for multi-site certification. The standard VERITEX® site sampling formula is:

$$n = \sqrt{N}$$

Where N = Total number of sites and n = Minimum number of sites to audit (rounded up to the nearest whole number). The Certification Body shall apply risk-based adjustments to increase the sample where child labour risks, forced labour risks, significant chemical risks, major nonconformities or fraud concerns have been identified. Sampled sites shall rotate during the certification cycle to ensure all facilities are covered over time.

Appendix C – Nonconformity Classification Matrix

Classification	Definition	Closure Deadline	Action Required
Observation	Potential weakness or improvement opportunity	None	Addressed in next audit

Classification	Definition	Closure Deadline	Action Required
Minor Nonconformity	Isolated failure; no systemic impact	Within 60 days	Document and close
Major Nonconformity	Systemic failure; certification integrity at risk	Within 90 days	Certification withheld until closure
Critical Violation	Fraud, falsification, serious abuse	Immediate	Denial / Withdrawal

Appendix D – Certification Process Flowchart

The following describes the sequential flow of the VERITEX® certification process:

- Step 1 – Application submitted by organization.
- Step 2 – Contract Review completed by Certification Body (within 15 days).
- Step 3 – Audit Plan agreed and Stage 1 Audit conducted (within 60 days).
- Step 4 – Stage 1 outcomes assessed; Stage 2 planned if Ready or Conditionally Ready.
- Step 5 – Stage 2 Audit conducted (within 90 days of application).
- Step 6 – Audit findings classified; corrective actions submitted and verified.
- Step 7 – Independent Certification Decision made (within 30 days of audit closure).
- Step 8 – Certificate issued and public register updated.
- Step 9 – Surveillance Audit 1 conducted (Year 1).
- Step 10 – Surveillance Audit 2 conducted (Year 2).
- Step 11 – Recertification Audit initiated (Year 3, minimum 90 days before expiry).
- Step 12 – Certification renewed or lapsed; cycle restarts.

Appendix E – Report Templates

Stage 1 Audit Report Template

Mandatory sections: Administrative Information (audit reference, dates, audit team, sites reviewed, certification scope), Documentation Review Findings (summary of documentation assessed against VERITEX® requirements), Readiness Assessment (strengths, weaknesses, risks identified), Conclusion (Ready / Conditionally Ready / Not Ready), Recommendations for Stage 2 planning.

Stage 2 Audit Report Template

Mandatory sections: Audit Scope and Objectives, Audit Criteria, Audit Methodology Summary, Summary of Audit Activities (interviews conducted, areas inspected, documents reviewed, traceability exercises performed), Audit Findings (conformities, observations, nonconformities classified by severity), Positive Practices Identified, Certification Recommendation, Corrective Action Requirements.

Surveillance Audit Report Template

Mandatory sections: Reference to previous audit cycle, Changes since last audit, Verification of previous corrective actions, Current conformity status, New findings, Updated certification recommendation.

Recertification Audit Report Template

Mandatory sections: Overall performance summary for the three-year certification cycle, Achievement of sustainability objectives, Trend analysis of KPIs, Current conformity assessment, Critical risks for the next cycle, Recommendation for recertification.

Chapter 5 – Audit Methodology and Sampling

5.1 Purpose

The purpose of this chapter is to establish the methodology, principles, requirements and controls governing audit activities performed under the VERITEX® Certification System, ensuring consistency, objectivity, transparency and reliability throughout all certification schemes and all audit types.

5.1.2 Objectives of Audit Activities

Audit activities shall achieve: Verification of Conformity, Verification of Implementation, Verification of Effectiveness, Verification of Legal Compliance, Verification of Traceability and Verification of Continuous Improvement.

5.1.3 Risk-Based Approach

All audits shall follow a risk-based methodology. Audit planning, sampling and duration shall consider product risk, process risk, environmental risk, social risk, chemical risk, supply chain risk, historical performance, previous nonconformities, country risk and fraud risk. Higher-risk organizations shall be subject to increased audit scrutiny.

5.2 Audit Principles

All audit activities shall be conducted in accordance with internationally recognized auditing principles: Integrity (perform duties honestly, report findings truthfully), Fair Presentation (accurate, objective, complete, balanced, verifiable findings), Due Professional Care (adequate preparation, appropriate sampling, effective questioning, proper documentation), Confidentiality (protect information against unauthorized disclosure), Independence (free from conflicts of interest, consultancy relationships and financial interests) and Evidence-Based Approach (conclusions based on objective evidence; assumptions shall never be used as audit evidence).

5.3 Audit Types

Initial Certification Audit (Stage 1 + Stage 2), Surveillance Audit (annual verification of continued conformity), Recertification Audit (before certificate expiry), Extraordinary Audit (triggered by complaints or integrity concerns), Follow-Up Audit (verify closure of major nonconformities), Short Notice Audit (where justified by serious concerns), Witness Audit (competence evaluation by Scheme Owner or accreditation bodies), Remote Audit (using ICT technologies) and Hybrid Audit (combination of on-site and remote activities).

5.4 Audit Methodology

Audits shall be conducted using systematic, independent and documented methodologies ensuring consistency, repeatability, reliability and objectivity.

Opening Meeting

An Opening Meeting shall be conducted before audit activities begin to introduce the audit team, confirm scope and objectives, review the schedule, clarify communication channels and confirm confidentiality requirements. Attendance shall be recorded.

Interviews

Interviews are a primary source of audit evidence and may cover top management, supervisors, employees, temporary workers, contractors and suppliers. Interviews shall be conducted confidentially where appropriate. For VERITEX SOCIAL®, worker interviews shall be conducted without management presence.

Observation, Site Inspection and Document Review

Auditors shall directly observe production operations, chemical handling, waste management, health and safety practices and traceability activities. Site inspections shall verify actual operating conditions including production areas, warehouses, chemical storage areas and worker facilities. Document review shall cover policies, procedures, work instructions, risk assessments, training records and monitoring reports.

Traceability Exercises

Traceability exercises shall verify supply chain integrity through Forward Traceability (raw material to finished product), Backward Traceability (finished product to raw material) and Mass Balance Verification (comparing material inputs against outputs and inventory balances).

Closing Meeting

A Closing Meeting shall summarize findings, present nonconformities and observations, note positive practices, explain corrective action expectations and outline certification process next steps. The organization shall have the opportunity to seek clarification regarding findings.

Audit Report Preparation and Retention

Audit reports shall be prepared promptly following completion of audit activities. Retention periods shall not be less than ten (10) years.

5.5 Sampling Methodology

Sampling is a fundamental component of the VERITEX® audit methodology and shall be used to obtain sufficient objective evidence where evaluation of all activities, records, products, suppliers or sites is not practical. Sampling shall be representative, risk-based, objective, documented and repeatable.

Sampling approaches include: Representative Sampling (reflecting population characteristics), Random Sampling (without bias), Targeted Sampling (elevated-risk areas) and Judgmental Sampling (auditor professional judgment, rationale documented). Sample size shall be influenced by organizational size, complexity, risk level, previous audit results, historical nonconformities and product diversity.

5.6 Multi-Site Sampling

Organizations may qualify for multi-site certification when a centralized management system controls policies, procedures, objectives and internal audits across all sites operating under a common certification scope.

Sites shall be classified as Low-Risk (warehouses, administrative offices), Medium-Risk (garment manufacturing, packaging facilities) or High-Risk (dyeing facilities, chemical processing sites, high-risk countries). The standard sampling formula $n = \sqrt{N}$ applies. Risk-based adjustments shall increase samples where child labour, forced labour, significant chemical risks, major nonconformities or fraud concerns exist.

5.7 Supplier Sampling

Suppliers shall be classified as Critical (significantly affecting social compliance, environmental performance, product safety or traceability), Significant (contributing materially to production activities) or Standard (limited impact on certification outcomes). Risk evaluation shall consider geographic risk, product risk, historical performance, traceability risk and regulatory risk.

Supplier Classification	Minimum Audit Frequency
Critical	Annual
Significant	Every 2 Years
Standard	Risk-Based

5.8 Product Sampling

Product sampling verifies conformity of products with VERITEX® certification requirements. Products shall be selected based on sales volume, complexity, chemical risk, social risk and environmental risk.

Number of Product References	Minimum Samples
1 – 10	1
11 – 25	2
26 – 50	3
51 – 100	5
>100	Risk-Based

Laboratory testing may be required for VERITEX PURE® (heavy metals, PFAS, phthalates, restricted substances), VERITEX ECOFLOW® (wastewater parameters, environmental indicators) and VERITEX ELITE® (integrated sustainability claims). Testing shall be performed by laboratories demonstrating competence under ISO/IEC 17025 principles.

5.9 Traceability Verification

Organizations shall maintain documented systems capable of tracing raw materials, intermediate products, finished products, suppliers and production batches. The Certification Body may conduct traceability exercises including batch tracing, supplier verification, product genealogy analysis and material reconciliation. Deliberate falsification, fraudulent origin claims or counterfeit documentation shall constitute Critical Integrity Breaches. Organizations are encouraged to implement digital traceability solutions (ERP systems, blockchain, supply chain management platforms).

5.10 Audit Sampling Integrity Controls

The Certification Body shall establish procedures to prevent fraud, intentional concealment and manipulation of audit evidence. Organizations shall ensure that samples are representative of actual production, records reflect actual operations and personnel selected for interviews are representative of the workforce. Auditors may select products, records, employees, suppliers and production batches without prior notification. The following practices are prohibited: substitution of products, concealment of production areas, falsification of records, coaching of interviewees, preparation of special audit samples and restricting auditor access.

5.11 Worker Interview Methodology

Worker interviews are an essential source of evidence for VERITEX SOCIAL® assessments. Interviews shall be confidential, voluntary, conducted without management presence and free from intimidation.

Number of Workers	Minimum Interviews
1 – 50	5
51 – 200	10
201 – 500	15
501 – 1000	20
>1000	Risk-Based

Sampling shall include male workers, female workers, migrant workers, temporary workers, contract workers, night-shift workers and vulnerable worker groups. Interview topics include working hours, wages, health and safety, discrimination, harassment, freedom of association and grievance mechanisms.

5.12 Chemical Verification Methodology

Chemical verification supports VERITEX PURE® requirements. Testing frequency shall consider product type, supplier risk, previous findings, country of origin and chemical complexity. Mandatory parameters include heavy metals (Lead, Cadmium, Mercury,

Chromium VI), PFAS, Phthalates, Azo Dyes, Formaldehyde, Chlorinated Phenols and Flame Retardants. Results exceeding applicable limits shall be classified according to severity and may result in corrective actions, product suspension, certification suspension or withdrawal.

5.13 Environmental Performance Verification

Environmental performance verification supports VERITEX ECOFLOW® certification. Organizations shall monitor: water consumption per unit produced, water reuse percentage, energy consumption per unit produced, renewable energy percentage, CO₂ emissions, air pollutant emissions, waste generation, recycling rate, wastewater generation and wastewater treatment performance. Auditors shall evaluate data sources, monitoring methods, calibration records and data integrity controls.

5.14 ESG Governance Assessment

ESG Governance Assessment is a mandatory component of VERITEX ELITE®. The organization shall demonstrate: ESG strategy, sustainability objectives, board oversight, ESG accountability and risk management processes. Auditors shall evaluate governance effectiveness, resource allocation, stakeholder engagement and strategic alignment.

5.15 Audit Time Calculation Model

Audit duration shall be calculated using the documented methodology in Appendix A of Chapter 4. Base audit time is determined according to number of employees and number of sites. Adjustment factors for high risk operations (+10% to +30%), complex supply chains (+10% to +25%), multi-site operations (+5% to +20%) and integrated schemes (+15% to +40%) shall be applied as appropriate.

5.16 Auditor Competence Matrix

Lead Auditor: recognized auditor training, textile sector knowledge, audit experience and VERITEX® qualification. Social Auditor: competence in human rights, labour law, ILO conventions and occupational health and safety. Environmental Auditor: competence in ISO 14001, water management, energy management and environmental compliance. Chemical Auditor: competence in textile chemistry, REACH, ZDHC and toxicology. Annual competence reviews shall be conducted for all active auditors.

5.17 Remote Audit Rules

Remote audits may be used for documentation review, follow-up audits, surveillance activities and interviews. Remote audits shall not normally be used for initial audits at high-risk sites, child labour investigations or serious integrity investigations. Secure and reliable ICT technologies shall be used. The Certification Body shall determine the appropriate balance between on-site and remote activities based on risk assessment.

5.18 Traceability Challenge Test

The Traceability Challenge Test evaluates the effectiveness of traceability systems. Auditors shall select a finished product and request evidence demonstrating raw material origin, supplier identification, batch information, production records and shipping records.

Organizations shall provide requested evidence within four (4) working hours unless otherwise justified. Failure to demonstrate traceability may result in a Major Nonconformity.

5.19 Audit Findings Consistency Programme

The Certification Body shall ensure consistency of audit findings through calibration activities including witness audits, peer reviews, report reviews and auditor workshops. Annual competence reviews shall assess auditor performance against VERITEX® standards. Calibration findings shall be used to improve training programmes and audit methodology.

5.20 Certification Integrity Monitoring

Certification Integrity Monitoring ensures ongoing confidence in certified organizations. The Scheme Owner may conduct market surveillance, product testing, mystery purchases, traceability verification and complaint investigations. Activities may result in no action required, corrective action requirements, extraordinary audits, suspension or withdrawal of certification. Results shall be communicated to relevant Certification Bodies and, where appropriate, to regulatory authorities.