

The U.S. Cotton Trust Protocol

Chain of Custody Requirements



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Section A- General information

A1. About the U.S. Cotton Trust Protocol

The U.S. Cotton Trust Protocol (hereafter Trust Protocol) is the voluntary sustainability program for U.S. cotton growers and traceability platform for all U.S. Cotton.

The Trust Protocol’s mission is to create a sustainable standard for U.S. Cotton that is data-powered, traceable by design, and generates positive impact through the global cotton value system – from farms to finished product.

Our vision is to be the world’s most trusted fiber program where full traceability is a reality and continuous, measurable improvement of our environmental footprint sets the standard for the global market.

Read more about our program [on our website](#).

A2. About the Chain of Custody Requirements

The objective of the Trust Protocol Chain of Custody Requirements is to provide the necessary measures to govern the movement of products that contain cotton from Protocol growers (hereafter ‘Protocol Cotton’) and cotton of U.S. origin (hereafter ‘Tracked U.S. Cotton’¹) purchased and sold by Trust Protocol members in order to demonstrate and validate the claims made about those products.

What is Chain of Custody?

Chain of Custody (CoC): a means by which inputs, outputs, and associated attributes are transferred, monitored and controlled as they move forward through each step in the supply chain. (adapted from ISO 22095)

CoC systems are a pragmatic means of tracking the transfer of materials and attributes as they change custody and ownership and move forward through the supply chain – from point of origin to end buyer. They can achieve this with varying levels of granularity, accommodating a broad range of supply chain contexts and realities. (ISEAL 2024)

A.2.1 Holding valid Trust Protocol membership is a pre-requisite for an organization to use the Chain of Custody Requirements.

A.2.2 The Trust Protocol Chain of Custody Requirements are applicable globally to Trust Protocol members who take legal ownership of Protocol Cotton and/or Tracked U.S. Cotton fibers and perform at least one of the following activities:

a. Manufacture or transform products containing Protocol Cotton and/or Tracked U.S. Cotton fibers with Trust Protocol and/or Tracked U.S. Cotton claims and track the transactions digitally on the Protocol Consumption Management Solution (PCMS) and on related commercial documents such as invoices, and shipping documents;

¹ Trust Protocol Chain of Custody Requirements do not track all cotton grown in the U.S. When Tracked U.S. Cotton is mentioned, it is referred to cotton purchased, processed and sold by Trust Protocol members.

b. Sell products containing Protocol Cotton and/or Tracked U.S. Cotton fibers and make Trust Protocol and/or U.S. Cotton claims² (except finished products sold to consumers by retailers and brands).

Example 1: A Merchant or Marketing Cooperative sells bales of Protocol Cotton to Trust Protocol member spinning mills needs to comply with the relevant Chain of Custody Requirements.

Example 2: A fabric manufacturer buying yarn containing U.S. Cotton fibers and selling fabric containing 50% U.S. Cotton fibers to a garment manufacturer needs to follow the Chain of Custody Requirements.

A.2.3 All sections in these requirements are considered normative and are mandatory for all Trust Protocol members who manufacture and sell products with Protocol Cotton and/or Tracked U.S. Cotton claims.

A.2.4 The following is a list of activities that may be performed by participants in the supply chain, of Trust Protocol Brand and Retail members. These activities are not governed by these Chain of Custody Requirements:

- a. Retailers and brands selling finished products to consumers, unless they have their own manufacturing sites for the production of products containing Protocol Cotton and/or Tracked U.S. Cotton. However, retailer and brand members are required to follow specific requirements outlined in the Requirements for Retailers and Brands (see Annex 1) on record-keeping and summary of annual volumes.
- b. Logistics companies transporting or temporarily storing products without changing the composition or physical integrity of products containing Protocol Cotton or Tracked U.S. Cotton.
- c. Subcontractors operating under an outsourcing agreement in accordance with section C4 of these requirements.

Note: Members that do not need to comply with the Chain of Custody Requirements may still need to follow other instructions set out by the Trust Protocol. These include data entry and management in the Protocol Consumption Management Solution (PCMS).

A.2.5 The requirements specified in sections D and E apply in accordance with the relevant Chain of Custody model (Segregation or Controlled Blending), and the scope of management (single or multi-site).

A.2.6 The table below describes the chain of custody models used by the Trust Protocol:

Chain of custody model	Definitions
Segregation	When eligible materials are segregated from ineligible materials at any stage of the production process. The processed/ finished products are composed exclusively of eligible materials. Eligible materials are defined as 1) cotton fibers from Trust Protocol growers (Protocol Cotton); 2) cotton fibers of U.S. origin that are tracked in the PCMS (Tracked U.S. Cotton).

² Claims refer to any types of communications presented to the buyer or consumer about the products containing Protocol Cotton and/or U.S. Cotton. It could be a statement between a yarn spinner to a fabric mill; or on-product claims sold by retailers to consumer. On-product claims are claims attached physically, visually or by inference to an individual finished product and communicated via consumer-facing channels.

Controlled Blending	When eligible products or materials are blended with other materials at any stage of the production process. The declared and documented percentage of eligible materials determines the proportion of eligible material(s) attributable to the tracked products.
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A.2.7 These requirements were written to align with the [ISEAL Code of Good Practice v1.0](#). The requirements are developed and revised by the Trust Protocol in consultation with assurance program stakeholders.

A.2.8 The Trust Protocol welcomes input on these requirements at any time and these can be e-mailed to integrity@trustuscotton.org. There will be a consultation period with stakeholders during each revision cycle for these requirements. Clarification of requirements may be incorporated into supplementary and guidance documents prior to the next revision.

A.2.9 The following dates support implementation of these requirements:

- a. Publication date: May 13, 2025
- b. Effective date: June 1, 2025

Section B- Terms and Definitions

Refer to the **U.S Cotton Trust Protocol Terms and Definitions** for the definition of terms used in this document. Defined terms are highlighted in *italics* in the first instance they are used in this document. **Bolded** terms are names of other U.S. Cotton Trust Protocol normative documents.

The following terms are used as guidance to interpret these requirements:

- a. “shall” indicates a requirement,
- b. “should” indicates a recommendation,
- c. “may” indicates a permission, and
- d. “can” indicates a possibility or capability

Section C- Chain of Custody Management System Requirements

C1. Scope of implementation and documented procedures

C.1.1 The organization shall ensure that each of the registered companies listed and their manufacturing subsidiaries:

- a. hold a valid Trust Protocol Membership certificate;
- b. update the Trust Protocol Membership certificate as required

C.1.2 The organization shall define the scope of implementation of these Chain of Custody Requirements which shall cover all manufacturing subsidiaries listed in its Trust Protocol membership.

C.1.3 The organization shall operate a management system that documents processes, procedures and responsibilities for addressing all applicable requirements in the Trust Protocol Chain of Custody Requirements.

C.1.4 The *chain of custody* management system shall be adequate to its size and complexity to ensure its continuous conformity with all applicable requirements.

C.1.5 The organization shall identify and record all critical control points where there is a risk of uncontrolled mixing or substitution between *eligible materials* (i.e. *Protocol Cotton* and *Tracked U.S. Cotton*) and other ineligible materials, including outsourced activities (e.g. subcontracts for storage or other outsourced activities).

Critical control point: A *critical control point* is a place or situation in the supply chain where there is a risk of uncontrolled mixing or substitution between verified and unverified materials.

C2. Responsibility and training

C.2.1 The organization shall appoint a management representative with overall responsibility for meeting the requirements of the Trust Protocol Chain of Custody Requirements.

C.2.2 The organization shall inform the Trust Protocol of any change in the identity of the management representative within ten working days of the change becoming effective.

C.2.3 The organization shall maintain the human resources and infrastructure resources needed for continuously meeting each of the requirements of the Trust Protocol Chain of Custody Requirements.

C.2.4 The organization shall define the key personnel who are responsible for the implementation of each procedure related to the delivery of the Chain of Custody Requirements.

C.2.5 The organization shall ensure that all staff responsible for delivering against the requirements of the Trust Protocol Chain of Custody Requirements have adequate training, qualifications, and competency for delivering their responsibilities.

C3. Record-keeping

C.3.1 The organization shall maintain complete and up-to-date records of the documents that are relevant to demonstrate the organization's conformity with all applicable requirements. Documents may be requested by the Trust Protocol as necessary to monitor adherence to these requirements.

C.3.2 At a minimum, the organization shall keep records of the following documents as applicable:

- a. procedures, training records;
- b. purchase and sales documents;
- c. material accounting records (see section 5);
- d. production records;
- e. annual volume summaries;
- f. records of suppliers, and outsourcing;
- g. records of control for *non-conforming products*;

C.3.3. The organization shall maintain all applicable records and reports for a minimum period of three years.

C4. Outsourcing

C.4.1 The organization may outsource activities outlined in these requirements to organizations that are Trust Protocol members.

C.4.2 The organization shall maintain full responsibility for conformity with the Trust Protocol Chain of Custody Requirements for outsourced processes outlined in these requirements.

C.4.3 The organization shall maintain legal ownership of all input materials to be included in outsourced processes.

C.4.4 The organization shall maintain an up-to-date record of all subcontractors including:

- a. their names, addresses and contact details;
- b. outsourced activities

C.4.5 The organization shall have a valid agreement with all subcontractors specifying at a minimum that the subcontractor shall:

- a. conform to all applicable Chain of Custody Requirements and the organization's procedures related to the outsourced activity;
- b. not further outsource any processing;

C.4.6 The organization shall ensure the following:

- a. material under the subcontractor's responsibility shall not be mixed or contaminated with any other material during the outsourced activity;
- b. the subcontractor shall keep records of inputs, outputs, and delivery documentation associated with all material covered by the outsourcing agreement

C5. Handling of non-conforming products

C.5.1 The organization shall have procedures in place to ensure that any non-conforming products are identified and controlled to prevent their unintended sale and delivery with Protocol Cotton and/or Tracked U.S. Cotton *claims*.

Non-conforming product relates to any product that is identified as Protocol Cotton or Tracked U.S. Cotton, but cannot be proven to come from either of these sources.

C.5.2 Where non-conforming products are detected after they have been delivered, the organization shall undertake the following activities:

- a. Stop making claims of any non-conforming products as containing Protocol Cotton, or Tracked U.S. Cotton;
- b. Notify the Trust Protocol and all affected direct customers in writing within five working days of the non-conforming product identification;
- c. Examine the reasons for the occurrence of non-conforming products and implement measures to prevent their recurrence.

C.5.3 Where a product containing Protocol Cotton and/or **Tracked U.S. Cotton** is ordered but the supplier delivers non-eligible product, and this is discovered on receipt and the product is returned, C.5.2 shall not apply.

Section D- Materials Handling Requirements

D1. Purchasing

D.1.1 The organization shall maintain up-to-date information in internal records about all suppliers who are providing materials containing Protocol Cotton and/or Tracked U.S. Cotton, including:

- a. Names, addresses and contact details;
- b. Materials supplied;
- c. Trust Protocol membership number

D.1.2 The organization shall check the supplier's sale and delivery documentation to confirm that:

- a. the supplied material type and quantities are in conformity to the supplied documentation;
- b. any Protocol Cotton and/or Tracked U.S. Cotton claim is specified

D.1.3 When purchasing materials with Protocol Cotton and/or Tracked U.S. Cotton, the organization shall ensure that the following minimum information is made available by the supplier in trade documents³:

- a. The name and address of the supplier;
- b. The quality, and description of the product(s) and their blend and mix percentage (if applicable);
- c. The quantity of the product(s);
- d. The verification status of materials supplied (Protocol Cotton, Tracked U.S. Cotton, non-U.S. Cotton etc.);
- e. Date of delivery or sales;
- f. *Permanent Bale Identification* (PBI) for Protocol Cotton and Tracked U.S. Cotton ;
- g. Applicable Chain of Custody models

D2. Material receipt

D.2.1. Protocol Cotton: Upon receipt of raw materials, the organization shall ensure that Protocol Cotton is clearly identifiable and kept segregated (physical or *temporal*) from Tracked U.S. Cotton and other types of cotton in raw materials storage (before the cotton enters a production process).

D.2.2 Tracked U.S. Cotton: Upon receipt of raw materials, the organization shall ensure that Tracked U.S. Cotton is clearly identifiable and kept separated (physical or temporal) from Protocol Cotton and other types of cotton in raw materials storage (before the cotton enters a production process).

D3. Processing

D.3.1 Production of products containing Protocol Cotton and Tracked U.S. Cotton shall only begin when the organization has sufficient quantities of these eligible materials at the physical sites.

³ It could be delivery notes, invoices, bill of lading, document attached to invoices, delivery notes, or electronic information.

D.3.2 When production of the products containing 100% Protocol Cotton, 100% Tracked U.S. Cotton, or products containing 100% Protocol Cotton and Tracked U.S. Cotton, the organization shall use the Segregation Chain of Custody model as outlined in sections D4, D5, and D6, respectively.

D.3.3 When products are mixed with Protocol Cotton, Tracked U.S. Cotton, other types of cotton (non-U.S. origin), and/or non-cotton fibers, organizations shall use Controlled Blending Chain of Custody model outlined in section D7.

D4. Segregation Chain of Custody Model Requirements: Products containing 100% Protocol Cotton

D.4.1 Protocol Cotton: The organization shall ensure that Protocol Cotton is clearly identifiable and kept segregated from Tracked U.S. Cotton and other types of cotton at every stage of production processes.

D.4.2 For each *job order* of Protocol Cotton, the organization shall specify the volumes of input and output materials.

D.4.3 For each job order, the organization shall maintain records of production batches of Protocol Cotton, including the following:

- a. Date of production
- b. Volume of input material of Protocol Cotton
- c. Article number and production lot number of Protocol Cotton
- d. Volume of output material of Protocol Cotton

A job order is a request to manufacture a certain type of product that includes quantities and specification (e.g. quality, types of fibers).

Trust Protocol requires members to declare actual volume of material consumed as opposed to using standardized conversion factors. Trust Protocol uses Textile Exchange's conversion factors for validation of input data entered into the *PCMS*.

D5. Segregation Chain of Custody Model Requirements: Products containing 100% Tracked U.S. Cotton

D.5.1 Tracked U.S. Cotton: The organization shall ensure that Tracked U.S. Cotton is clearly identifiable and kept segregated from Protocol Cotton and other types of cotton at every stage of production processes.

D.5.3 For each job order of Tracked U.S. Cotton, the organization shall specify the volumes of input and output materials.

D.5.4 For each job order, the organization shall maintain records of production batches of Tracked U.S. Cotton, including the following:

- a. Date of production
- b. Volume of input material of Tracked U.S. Cotton
- c. Article number and production lot number of Tracked U.S. Cotton
- d. Volume of output material of Tracked U.S. Cotton

D6. Segregation Chain of Custody Model Requirements: Products containing 100% eligible materials (Protocol Cotton and Tracked U.S. Cotton)

D.6.1 The organization shall ensure that Protocol Cotton and Tracked U.S. Cotton is clearly identifiable and kept segregated from other types of cotton at every stage of production processes.

D.6.2 Protocol Cotton and Tracked U.S. Cotton can be mixed together in the production processes but they shall be separated from other types of cotton (e.g. non-U.S. origin).

D.6.3 The organization shall ensure that any machinery is cleared of non-verified products prior to use for Protocol Cotton and Tracked U.S. Cotton.

D.6.4 For each job order containing Protocol Cotton and Tracked U.S. Cotton, the organization shall specify the volumes of input, and output materials.

D.6.5 For each job order, the organization shall maintain records of production batches of Protocol Cotton and Tracked U.S. Cotton, including the following:

- a. Date of production
- b. Volume of input material of Protocol Cotton and Tracked U.S. Cotton
- c. Article number and production lot number of Protocol Cotton and Tracked U.S. Cotton
- d. Volume of output material of Protocol Cotton and Tracked U.S. Cotton

D7. Requirements applicable to organizations using Controlled Blending model

D.7.1 For each job order containing Protocol Cotton, Tracked U.S. Cotton, and other types of cotton, the organization shall specify the volumes of input and output materials, and equivalent percentage of Protocol Cotton or Tracked U.S. Cotton using the formula in D.7.2 below.

D.7.2 For each job order, the organization shall calculate and record the equivalent percentage of Protocol Cotton or Tracked U.S. Cotton using either of the following formulas:

- a. Protocol Cotton % = Quantity of Protocol Cotton/ Quantity of total fibers X 100 or
- b. Tracked U.S. Cotton % = Quantity of Tracked U.S. Cotton/ Quantity of total fibers X 100

D.7.3 For each job order, the organization shall maintain records of production batches of blended products containing Protocol Cotton and/or Tracked U.S. Cotton, including the following:

- a. Date of production
- b. Volume of input material of Protocol Cotton and/or Tracked U.S. Cotton
- c. Volume of input material of other types of cotton
- d. Article number and production lot number of Protocol Cotton and/or Tracked U.S. Cotton
- e. Volume of output material

D.7.4 The product shall contain at least 10% Protocol Cotton and/or Tracked U.S. Cotton to be eligible for tracking in the PCMS.

D.7.5 The organization shall not make claims of Protocol Cotton and/or Tracked U.S. Cotton when products contain other types of virgin cotton (i.e. non-U.S. origin).

D8. Sales and shipments

D.8.1 The organization shall ensure that sales invoices and/or related documents⁴ issued for products sold with Protocol Cotton and/or Tracked U.S. Cotton claims include the following information:

- a. Name and contact details of the organization;
- b. Name and contact details of the buyer;
- c. Date of the document;
- d. Product description;
- e. Quantity of products sold;
- f. Claims of Protocol Cotton or Tracked U.S. Cotton for each product

D.8.2 The requirements outlined in D.8.1 shall apply to:

- a. products with 100% cotton fibers that contain Protocol Cotton, Tracked U.S. Cotton, and/or other types of cotton;
- b. blended products with cotton and non-cotton fibers

D.8.3 All materials sold with Protocol Cotton and/or Tracked U.S. Cotton claims shall be traceable throughout all production stages including their respective raw material inputs.

D.8.4 All shipments of materials sold with Protocol Cotton and/or Tracked U.S. Cotton claims shall be labeled with identification that clearly links them to the relevant invoices or shipping documents.

D9. On-product claims

D.9.1 The organization shall make *on-product claims* on Protocol Cotton and/or Tracked U.S. Cotton according to the effective version of the Trust Protocol **Claims Framework**.

D.9.2 The organization shall only make Protocol Cotton claims when both of the following apply:

- a. Protocol Cotton represents 50% or greater of the total fiber in finished products. The remaining percentage can include Tracked U.S. Cotton, non-cotton fiber and recycled cotton certified by the Textile Exchange Global Recycled Standard (GRS) or Recycled Claim Standard (RCS).
- b. 100% of the virgin cotton content in the product is U.S. Cotton

Example 1 – a dress with 60% polyester and 40% Protocol Cotton is not eligible for making Protocol Cotton claims.

Example 2 – a bath towel with 70% Protocol Cotton and 30% Indian cotton is not eligible for making Protocol Cotton claims.

Example 3 – a duvet cover with 60% Protocol Cotton and 40% polyester is eligible for making Protocol Cotton claims.

D.9.3 The organization shall only make claims on Tracked U.S. Cotton when both of the following apply:

⁴ It could be directly stated in delivery notes, invoices, bill of lading, or in document attached to invoices and delivery notes; or electronic information.

- a. Tracked U.S. Cotton represents 50% or greater of total fiber in finished products. The remaining percentage can include Protocol Cotton, non-cotton fiber and recycled cotton certified by the Textile Exchange Global Recycled Standard (GRS) or Recycled Claim Standard (RCS).
- b. 100% of the virgin cotton content in the product is U.S. Cotton

Example 3 – a shirt with 45% Tracked U.S. Cotton and 55% cotton from India is not eligible for making Tracked U.S. Cotton claims.

Example 4 – a sweatshirt with 70% Tracked U.S. Cotton, 30% recycled polyester is eligible for making Tracked U.S. Cotton claims.

D.9.4 The minimum percentage threshold for making claims as outlined in this section is separate from the transaction reporting requirements in the PCMS.

D10. Data entry in the Protocol Consumption Management Solution (PCMS)

D.10.1 The organization shall record all transactions among Trust Protocol members in the Trust Protocol's Protocol Consumption Management Solution (PCMS) according to the data entry requirements outlined in the **PCMS User Manual**.

D.10.2 The organization shall record all transactions within fourteen days of physical shipment of eligible materials made to Trust Protocol members.

D.10.3 The organization shall ensure that all transactions recorded include the following:

- a. Accurately reflect the physical input materials consumed and output materials produced
- b. Include a declaration of the specific article numbers, production lot number, shipment date and other required information

D.10.4 The organization shall ensure that all transactions are accompanied by upload of documents that correspond to the data entered in the PCMS:

- a. Commercial invoices: to validate that a change of commercial ownership or eligible materials has occurred.
- b. Shipping documents: to validate that a physical shipment between counterparties has occurred.

D.10.5 The organization shall declare actual volumes of consumed input materials and actual volumes of output materials in the PCMS.

D.10.6 The organization shall only record transactions in the PCMS of products containing at least a minimum of 10% U.S. Cotton.

D.10.7 For blended products containing U.S. and non-Tracked U.S. Cotton, the data for equivalent cotton content from U.S. and non-U.S. origin shall be captured in the PCMS.

D.10.8 Data for equivalent cotton content from U.S. and non-U.S. origin shall be captured in PCMS.

D11. Material accounting System Requirements

D.11.1 The organization shall maintain a material accounting system⁵ that quantifies the volumes of input and output materials on a continuous basis at the site level.

Note: Organizations can use PCMS to demonstrate compliance with this requirement, but they can also use other means. For organizations that have multiple manufacturing sites, currently their aggregated inventory of all sites is visible at PCMS, but not for individual sites. The material accounting system is acceptable as long as the organization is able demonstrate volumes of input and output materials for all job orders of Protocol Cotton and Tracked U.S. Cotton in specific sites, and calculate the balance at each site.

D.11.2 The organization shall ensure that the material accounting system is never overdrawn at the site level.

D.11.3 The organization shall maintain up-to-date material accounting records of purchases and sales to Protocol members and non-members, including:

- a. inputs: supplier's sales document number, date, quantities, and material category (Protocol Cotton, Tracked U.S. Cotton, other types of cotton)
- b. outputs: sales document number, date, product description, quantities, Protocol Cotton and/or Tracked U.S. Cotton claims, and applicable job order.

D.11.4 The organization shall prepare reports of annual volume summaries at site level, demonstrating that the quantities of output products sold with Protocol Cotton and/or Tracked U.S. Cotton claims are compatible with the quantities of inputs and any existing inventory.

D.11.5 The organization shall be able to demonstrate volumes of input and output materials for specific job orders of Protocol Cotton and/or Tracked U.S. Cotton using Segregation and Percentage Blending models

D.11.6 For organizations that have multiple sites that produce products with Protocol Cotton and/or Tracked U.S. Cotton claims, they shall meet the multi-site requirements in section E for multiple site management.

Section E- Multi-site Management Requirements

This section outlines additional requirements for organizations managing multiple production sites.

E1. Eligibility criteria

E.1.1 The organization shall meet the following eligibility criteria for the application of multi-site management:

- a. The organization has ownership of all participating sites;
- b. All sites have common operational procedures (e.g. same production methods, same product specifications, integrated management software);

⁵ Material accounting system is where a company records its inputs (purchase and material storage), outputs (in stock and sold), and wastes of all types of materials (Protocol Cotton, Tracked U.S. Cotton, other types of cotton) excluding trims.

- c. All sites are bound by the same centrally administered and controlled management system of the organization including sales and purchase functions;

E2. Administrative responsibilities

E.2.1 The central office of the organization shall be responsible for ensuring that all applicable Chain of Custody Requirements are met by all participating sites. Central office is the identified central function (e.g. office, department, person) of a multi-site for being responsible for upholding the Chain of Custody system and for ensuring that the requirements of relevant Chain of Custody are met at the participating sites.

E.2.2 The central office shall assign an individual responsible for the implementation of Chain of Custody Requirements at all participating sites.

E.2.3 The central office shall ensure that a training program for participating sites is established, implemented, and maintained that enables them to meet the relevant Chain of Custody Requirements.

E.2.4 The central office shall maintain records of all participating sites regarding:

- a. names and addresses;
- b. names of responsible personnel and contact details;
- c. products, and
- d. processing steps.

E.2.5 The central office shall conduct an annual internal audit of all participating sites to evaluate the continued conformity to all applicable requirements.

E.2.6 The central office shall ensure that participating sites conform to all applicable Chain of Custody Requirements.

E3. Accounting system

E.3.1 The organization shall have an accounting system capturing inputs and outputs of all participating sites according to the applicable requirements in section D11.

Example: Company A has three manufacturing sites and implement the Segregation Chain of Custody model at all sites. Each site has its own accounting system capturing inputs and outputs at their site level. The head office is responsible for entering transactions of three sites, but the inputs and outputs are calculated at each site.

E.3.2 The organization shall prepare reports of annual volume summaries of all participating sites according to the requirements in D.11.4, demonstrating that the quantities of output products sold with Protocol Cotton and/or Tracked U.S. Cotton claims are compatible with the quantities of inputs, and any existing inventory.

Annex 1: Requirements for Retailers and Brands

1.1 Introduction

Retailers and brands are at the end of the supply chain selling finished products directly to consumers. They do not transform or process the finished products, so the integrity of the products is not compromised. Some brands do sell their finished products to retailers so there is an added layer in the supply chain. However, in this situation there is no transformation nor manufacturing involved. There is very low risk of mixing or substitution of products containing Protocol Cotton or Tracked U.S. Cotton with conventional products.

Therefore, retailers and brands are exempt from the Trust Protocol Chain of Custody Requirements but are required to follow specific requirements outlined in this section to ensure that their claims are valid. Note that they still need to comply with data entry requirements of the PCMS.

1.2 Management system and reporting requirements

1.2.1 Retailer and Brand members shall maintain a system that allows incoming products to be traced back from the suppliers via relevant documentation.

1.2.2 If Retailer and Brand members sell finished products to other companies, they shall maintain a system that allows outgoing products to be traced forward to the customers via relevant documentation.

Note: If Retailer and Brand members sell finished products directly to consumers, they only have to trace back from the sales invoice to a supplier but do not need to provide information on who they sell to.

This means that Retailer and Brand members can demonstrate the link of products sold to the suppliers.

Example: Brand A bought 100 t-shirts from supplier B, and sold these to Retailer C. Brand A can demonstrate that these 100 t-shirts were bought from Supplier B with documentation of purchase orders, delivery notes and invoices.

1.2.3. Retailer and Brand members shall keep records of purchase documents that include the following information:

- a. Product description
- b. Quantities and units
- c. Date of the purchase order
- d. Claims and the associated percentage of Protocol Cotton/ Tracked U.S. Cotton
- e. Supplier name(s)
- f. Supplier's Trust Protocol membership number(s)
- g. Address(es) of the manufacturing site(s) of the products

1.2.4 Retailer and Brand members shall keep records of sale documents that include the following information:

- a. Product description

- b. Quantities and units
- c. Date of delivery notes/ invoices
- d. Claims and the associated percentage of Protocol Cotton/ Tracked U.S. Cotton
- e. Customer name(s)
- f. Customer's Trust Protocol membership number(s)
- g. Customer address(es)

Note: This requirement is not applicable if Retailer and Brand members sell finished products directly to consumers.

1.2.5 Records of products with Protocol Cotton and/or Tracked U.S. Cotton claims shall be accurate, complete, and unaltered. Records shall be kept for three years.

1.2.6 Retailer and Brand members shall prepare reports of annual volume summaries, demonstrating that the quantities of output products sold with Protocol Cotton and/or Tracked U.S. Cotton claims are compatible with the quantities of purchases recorded in the PCMS system

1.2.7 Retailer and Brand members shall make on-product claims related to Protocol Cotton and/or Tracked U.S. Cotton according to the U.S Cotton Trust Protocol **Claims Framework**.